FBIS DAILY REPORT

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SAUDI FOREIGN MINISTER SA'UD AL-FAYSAL VISITS

Camilion Comments at Airport

PY110333 Buenos Aires TELAM in Spanish 2010 GMT 10 Aug 81

[Text] Buenos Aires, 10 Aug (TELAM)--The foreign minister of Saudi Arabia, Sa'ud al-Faysal, said this afternoon that he hoped to hold fruitful negotiations with the Argentine foreign minister, though he explained that there was no specific topic--that they will deal with bilateral relations in general. He said this at Ezeiza Airport, where he arrived from San Carlos de Bariloche in his private airplane.

Al-Faysal stayed in that southern city over the weekend, where he assisted in the National Show Festival and played winter sports. Starting today he will be intensely active in this capital, having an interview this afternoon with the foreign minister, Dr Oscar Camilion; and the minister of economy and finance, Dr Lorenzo Sigaut.

At Ezeiza, Al-Faysal emphasized his pride and satisfaction at this visit and added that the topics to be dealt with concern the general relations between the two countries and international problems of interest to both of them, but it was anticipated that he will give a press conference tomorrow at 1100 at the Plaza Hotel here in order to expand on his brief statements.

Foreign Minister Camilion; Under Secretary of Foreign Relations Ambassador Enrique Ros; and the under secretary of international economic relations, Dr Juan Manuel Figueiredo, met Al-Faysal, as well as Arab officials who had arrived in Buenos Aires separately in order to join the prince's delegation.

Dr Camilion, on his part, told newsmen that an economic and technical cooperation agreement would be signed and that Saudi Arabia is the principal oil exporting country whose international weight, therefore, has become exceedingly significant.

Camilion, who said he was waiting with interest the visit of the nephew of the deceased [as received] King Khalid, noted that the bilateral relations are of increasing importance, in the same way that Saudi Arabia assumes a constantly greater importance in international economic, financial and political affairs.

The Argentine minister explained that Saudi Arabia had always been a notable country, but evidently starting in 1973, when oil prices increased and the consequently international earnings transferred to the oil-exporting countries, its importance had increased.

Camilion also indicated that there was an important range of topics to analyze; and even though the visit of a foreign minister is always political, without a doubt there will be an opportunity to analyze the aspects of trade relations, aspects of financial relations and other aspects of cooperation in the economic-technical fields.

The Argentine foreign minister recalled that trade with Saudi Arabia is accelerating: from a few hundreds of thousands of dollars in 1973, the Argentine exports (we used to import somewhat more due to oil purchases) jumped to $41 million in 1979, to close to $80 million in 1980; and it is expected that these rates will continue increasing, because Saudi Arabia is constantly needing more international suppliers of food and industrial products.

The minister affirmed that Argentina is also selling industrial products to Saudi Arabia, basically in the metallurgical sector.

Lastly, Dr Camilion explained that certain fields of technical cooperation on the part of Argentina, in the red-meat program for example, are being analyzed with much interest; while the increasing participation of Saudi Arabia in international financing in Argentina is noteworthy.

Camilion noted that at this moment approximately 1/3 of foreign investment in Argentine bonds is from Saudi Arabian banks; and finally, after predicting that the relations have all the prospects for increasing and multiplying in importance, he anticipated that we are interested for visits at this level to our country to constantly increase. At the same time he estimated that the political position is what lies at the center of these international meetings, refering to the increasing number of visits in recent times.

Camilion Speaks at Reception

PY112349 Buenos Aires TELAM in Spanish 0040 GMT 11 Aug 81

[Text] Buenos Aires, 10 Aug (TELAM)--Argentina is included in the group of countries that actively proposes a reorganization of the economic order, Foreign Minister Oscar Camilion said at the reception offered tonight at San Martin Palace in honor of his Arabian colleague, Sa'ud al-Faysal.

"From our perspective," he continued, "the essence of underdevelopment is a problem predating the current crisis and which aggravates it;" and he expressed his belief that the international economic problems cannot be dealt with partially, only jointly.

He added that energy or food topics, for example, cannot be resolved independently from the reorganization of the international monetary system or from other equally important aspects that the current framework of interdependence demands.

Camilion recalled that Argentina has indicated that it does not acknowledge that the increase in the price of hydrocarbons is the only cause of the current crisis and, therefore, it has not agreed for the matter of prices to be discussed nor will it accept the creation of an international energy agency other than within the framework of the North-South talks.

He termed as serious the impact of exported inflation on developing countries such as Argentina and stated that the question of food, together with energy, are the two problems that are keeping the international community on tenterhooks.

In this respect, he said, by ratifying what was agreed during the recent Caracas meeting, our country will guarantee the priority of supply within the framework of economic cooperation between developing countries, on the basis of bilateral agreements or through negotiations with the funds of development on the basis of the principle of mutual benefit.

Camilion said that he supports the encouragement of a dialogue that will help achieve a clear perception of the mutual problems and needs, and he judged as convenient and necessary the analysis of reverting, by taking advantage of adequate legislation [words indistinct] the current financial flux toward the North, in order to channel them toward the developing countries.

"It is also oportune," he continued, for mechanisms to be drafted that will primordialy encourage the commercial growth of the developing nations, basically through the purchasing of products, reinforcing our capability for creativity and ensuring alternative methods of action, thus avoiding the danger of subjection."

Among other topics, the foreign minister spoke about the Middle East, indicating that a long-lasting peace can only be obtained in the region within the framework of the decisions handed down by the United Nations, which have taken into account the withdrawal from the occupied Arab territories, respect for the right to self-determination and the existence of all the states of the region within secure and recognized borders.

He expressed his hope that the parties that are involved in the Iraqi-Iranian conflict will make greater efforts to achieve peace through an honorable, just and long-lasting solution, and he agreed with the majority of the international community that there is a need for overcoming the Afghanistan situation, which violates the essential principles of international coexistence.

The reception was attended by: Enrique Ros and Juan Manuel Figueiredo Antequeda, under secretaries for foreign relations and for international economic relations; Col Carlos Nuenz, the technical under secretary; Omar Yaquiri, adviser to President Viola; Carlos Garcia Martinez, ommerce and maritime interests minister; the chairman of Government Oil Deposits, Gen Suarez Mason; and the intelligence and public information secretaries of the Presidency, Generals Martella and Ortiz.

Prince Al-Faysal will begin his activities tomorrow at 0900 with a meeting with the Arab community, and then will attend a luncheon at a ranch close to the capital. During the afternoon, the visitor will give a reception for Camilion at the Plaza Hotel.

## Cooperation Agreement Signed

PY121759 Buenos Aires TELAM in Spanish 1104 GMT 11 Aug 81

[Text] Buenos Aires, 11 Aug (TELAM)--Argentina and Saudi Arabia signed today an economic and technical cooperation agreement by which both countries commit themselves to develop and promote this type of cooperation within a spirit of mutual understanding.

The signing of the agreement took place this morning during a ceremony held in the Golden Room of the Foreign Ministry. Attending the ceremony representing their respective countries were Argentine Foreign Minister Oscar Camilion and Saudi Foreign Minister Prince Sa'ud al-Faysal.

Article No 2 of the agreement establishes these areas of cooperation: promoting the establishment of agricultural, livestock, industrial, and technical development programs; promoting exchange of information related to scientific and technical developments; promoting the exchange of different goods and products; and promoting the exchange of trained technical personnel required for these cooperation programs.

The agreement establishes the creation of a joint commission that will hold alternative meetings in each country at the request of either of the parties involved. The objective of these meetings will be to discuss the means and measures to be adopted to implement and promote mutual cooperation.

The agreement will be enforced as soon as the two countries approve it and the respective notes are exchanged. It will be enforced for 3 years and it can be automatically renewed for consecutive periods of 1 year unless it is specifically expressed otherwise.

Also attending the signing ceremony were: Ambassadors Enrique Ros and Juan Manuel Figueiredo, Foreign Ministry under secretaries; Col Carlos Nunez, the under secretary of the technical department; directors of the pertinent area departments; and members of the visiting entourage and of the Saudi Arabian Embassy in Argentina.

## Saudi's Press Conference

PY130322 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1639 GMT 12 Aug 81

[Text] Buenos Aires, 12 Aug (NA)--Saudi Foreign Minister Sa'ud al-Faysal today reiterated that his country "wants to see the Palestine Liberation Organization (PLO) recognized as the true representative of the Palestinian people."

Al-Faysal also refuted claims that the PLO is a terrorist organization by saying that "this is somewhat subjective definition because for some one may be terrorist and for others a fighter."

He added that "when (Jose de) San Martin was fighting no one asked him whether he was a terrorist or a liberator. Nowadays, history aknowledges that he was the latter."

Al-Faysal made these statements today during a press conference, which he held at noon at the hotel where he is staying, which dealt mainly with the Palestinian affairs.

Asked whether during his 72-hour visit to Argentina he had asked the national government to recognize the Plo as representative of the Palestinian people, he smiled and said: "I would rather you asked Foreign Minister (Oscar) Camilion about this."

He also said that, in his opinion, his visit to Argentina, which ended today, "helped to further mutual understanding that the two governments are trying to achieve" regarding various bilateral issues and especially in connection "with the roles which each one must play according to its geographic location."

He added that in the process of exchanging information, Saudi Arabia concentrated on "the Afghan and Palestinian problems" while Argentina reported "on Latin America and this region in particular."

During the press conference, Al-Faysal was also asked about yesterday's meeting with the Buenos Aires Province Governor Oscar Galindo on Saudi Arabia's possible participation in the financing of the project aimed at recovering the Salado River watershed.

In this connection, he said that "it is true, this proposal has been submitted to my consideration" and acknowledged that "it is a great project" and "similar to those which Saudi Arabia has with friendly countries."

He described the project as "very big, very sound, and very straightforward;" and made it clear that "probably we will not be the only source of financing," stressing that "the compensation for our financing will be directly related to the attitude of the other possible members of the group."

Al-Faysal expressed opposition to the creation of a multinational peace force in the Sinai outside the framework of the United Nations and emphasized that "all those interested in bringing peace to the Middle East must understand that this will not be attained through a process which has now reached a deadlock, but must aim their efforts at resolving the Palestine issue."

He also denied that Arab countries opposed to the Camp David accords between Egypt and Israel are planning to retaliate against those who could participate in the peace force "since we would understand that they are doing so to bring peace to the Middle East."

He also said that the first condition for the Arab countries to recognize the State of Israel is that "the Jews must discuss with the Palestinians the best way to return to the latter the occupied territories," with the understanding that such negotiations should be conducted by the PLO.

Meets With President

PY122250 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1655 GMT 12 Aug 81

[Text] Buenos Aires, 12 Aug (NA)--The president, Roberto Viola, this noon told the Saudi Arabian foreign minister, Prince Sa'ud al-Faysal, of his belief that the latter's visit to Argentina "signifies an important step in the relations between the two countries."

Viola received the visiting minister at 1230, in the company of Argentine Foreign Minister Oscar Camilion and the presidential adviser, Omar Muhamad Vaquir.

Viola took this opportunity to tell the prince that his visit to Argentina "has been highly positive, not only from the point of view of his assignment, but also the satisfaction from having accomplished it."

Then the president gave a luncheon for Al-Faysal at the Casa Rosada.

Concludes Visit; Leaves

PY122202 Buenos Aires Domestic Service in Spanish 2000 GMT 12 Aug 81

[Excerpt] Saudi Foreign Minister Sa'ud al-Faysal today concluded his official visit to Argentina and he left for his country [as heard]. He departed at 1500 from Ezeiza Airport.

GOVERNMENT DENIES PARALLEL PEACE PLAN WITH CHILE

PY121600 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0208 GMT 12 Aug 81

[Text] Buenos Aires, 11 Aug (NA)--Argentine Foreign Ministry spokesman Federico Erhart del Campo tonight denied the existence of "a parallel bilateral plan to that of the papal mediation on the southern border conflict."

The statement made by the Argentine diplomat is in agreement with the statement made yesterday in Santiago by Chilean Foreign Ministry Under Secretary Col Ernesto Videla, who also denied the existence of such a plan which, according to press reports, will be reportedly implemented to overcome the stalemated Vatican negotiations."

A similar statement was made yesterday in Mendoza by Argentine Air Force Commander in Chief Lt Gen Domingo Graffigna.

Several reports, which were released mainly in Buenos Aires, mention the possibility of the Argentine and Chilean Governments starting bilateral talks aimed at concluding a "cooperation and peace" treaty outside the pope's mediation in the Beagle dispute.

OFFICIAL CALLS FOR REDUCTION OF EXPORTS TO USSR

PY121201 Paris AFP in Spanish 0514 GMT 1 Aug 81

[Text] Buenos Aires, 31 Jul (AFP)--A high-ranking official of the Argentine military government today called for the reduction of the USSR's role as the main buyer of Argentine agricultural products and pointed out the need to open up other international markets elsewhere in the world.

Alfredo Esposito, under secretary of international commercial negotiations revealed that the Argentine Government has opened a $(?182)-million line of credit for industrial exports to Senegal.

The official lamented the loss of the Argentine credibility rating in Japan, to which country Argentina did not sell grain in 1980 because the Soviet Union purchased most of Argentina's exportable surplus.

He indicated that the Japanese banks play an important role in Argentina's public finances and stressed the debt which Government Oil Deposits (YPF) has with these banks. He added, however, that Japan is interested in investing in the production of inputs which its own industry requires.

FOREIGN MINISTER ROLON SPEAKS FOR NEW CABINET

PY120439 La Paz Domestic Service in Spanish 0143 GMT 12 Aug 81

[Text of speech by Bolivian Foreign Minister Mario Rolon Anaya on behalf of newly designated ministers in main hall of Government Palace in La Paz on 11 August--live]

[Text] Your Excellencies Members of the Honorable Junta of Commanders; ministers; generals, officers and commanders of the three armed forces' branches; officers of the national police; ladies; gentlemen; fellow citizens:

Toward the end of February 1981, when the natural commands of the nation's armed forces under President Luis Garcia Meza decided to invite us to the difficult and serious task of ministerial functions, we expressed some ideas regarding the country's international relations and other national issues. We thought it was urgent to reiterate these ideas after the short and tense experience during these intensively active months.

The first point makes reference to the existence of an international policy traditionally established since the glorious days of the creation of the republic through the two sources of its glorious constitution: the armed forces, which emerged in the bloody liberation fightings which lasted 16 years; and the civilian ideological forces of the constitutive assembly of 1825.

This (?principle is based on) the respect for the sovereignty of peoples, on continental balance, on equitable relations, on respect for the rights of others, on geopolitical functions of rapprochement with neighbors, and on world interdependence. These principles have been established from the very beginning of the republic and on consolidating our independence.

For this reason, Bolivian international policy, established at the very moment of the creation of the republic, more than novel and hasty formulations, needed consistent implementation and a constant adaptation to the changing and dynamic world situation.

The second point has to do with the unpostponable urgency to safeguard international policy from tension and rivalry between local factions, as our fathers used to say when referring to political organizations which are all respectable and necessary for a firm democratic coexistence and whose divisive controversies have been greatly harmful to thoughtful and harmonious leadership of the country's international relations.

In agreement with the institutional criterion of the armed forces and with the noble objectives of patriotic understanding which guide the honorable Junta of Commanders, we hope for the existence of a field of agreement among all Bolivians, even more profound than international policy. We all agree on the fact of preserving national sovereignty, of preventing new depredations of territory, new economic aggression; we all agree on the return to the sea for Bolivian sovereignty; and we all hope for a better life for all our fellow citizens, based on understanding and on good relations with all world countries, as brilliantly explained by Gen Waldo Bernal.

Dear commanders and ministers: The energic serenity displayed by the commanders during these difficult and distressing days, in that critical moment of tense life of a constantly harassed country to a point of causing a confusing neurosis among its leaders, leads to pointing out the absolute innocence of the Bolivian people during this or other crises, caused not so much by the medieval personalist interests of individuals but by the system of foreign dependency. The instability of a dramatically developing country, both in its underdevelopment and poverty, is part of an unequal and monstrously unjust international order; as recognized by the United Nations itself 3 decades ago, but without finding a solution to it so far in the North-South dialogue which has been only a sad monologue so far.

We want to repeat once again that Bolivia not only financed the industrial world revolution years ago, but that it also defended democracy with the work of its mining people during World War II. Bolivia is the historical world creditor and not only a circumstantial debtor.

Regarding the dependency system, the instability of prices of products such as tin leads to political and social instability; and this instability causes anxiety and then the desperation which led--due to foreign greediness--innocent people to become involved in drug trafficking. We want, therefore, a dignifying, equitable, but not hegemonic--and much less humiliating--relationship. And in addition to being guilty we are victims of a system, of coercive intervention.

There is much to be said on this subject, on this very occasion. It is my task, here and now, to renew the commitment of defending the bolivian international policy with the same energetic serenity with which the armed forces, the Junta of Commanders, have overcome a bitter and painful institutional problem which has affected the nation domestically during these difficult days.

We fully support the institutional reconstruction of the armed forces, and we commit ourselves to decisively seeking the means to overcome the economic, social and political crisis, and especially that morale so rightly referred to by General Bernal Pereira, which is affecting the nation, due more to foreign causes than to our own responsibility.

We also commit ourselves again to the armed forces, seeking the national liberation and the objectives of establishing the basis for a democratic life in the country, and a great and final patriotic reunion of all Bolivians.

We trust in the good intention of all. We trust in our own efforts, and we feel that differences in historical methods cannot prevent a final and generous confidence in the principles of an enhanced Bolivia.

With greater effort, we will achieve the established objectives in this historical and difficult stage which demands greater sacrifices, as mentioned also by General Bernal.

The most difficult periods have always been given to us. But each and every one of the members of this council of ministers renews this commitment, and we thank the honorable Junta of Commanders for the generous and extolling confidence placed in us.

We will try to achieve the objectives of the citizens, contributing to creating the basis for this democratic understanding which we hope will be everlasting. We renew our humane hope and Catholic faith. We will fulfill our promise with the fatherland through the grace of God and the understanding of our fellow citizens. Thank you.

GENERAL BERNAL COMMENTS ON GOVERNMENT, REBELS

On Garcia Meza

PY120453 Paris AFP in Spanish 0256 GMT 12 Aug 81

[Excerpts] La Paz, 11 Aug (AFP)--Gen Waldo Bernal Pereira said in the name of the Junta of Commanders here today that former Bolivian President Luis Garcia Meza has no influence in the new government created on 4 August.

During a meeting with the directors of the main newspapers of this capital, Bernal Pereira said that it is possible that Garcia Meza may temporarily leave the country since he announced he may accept an invitation to visit Taiwan.

During the meeting with the newspaper directors, Bernal Pereira also reportedly assured that the new government will not count on the paramilitary groups existing in the country.

On 'Subversive' Declarations

PY121943 La Paz Radio Illimani Network in Spanish 1700 GMT 12 Aug 81

[Text] Gen Waldo Bernal Pereira today warned that the Junta of Commanders will act drastically and with all its force against any statements made on behalf of any revolutionary command which, he stated, will be considered subversive.

Talking on behalf of the Junta of Commanders, General Bernal Pereira stated that the institutional situation which developed in Santa Cruz last week was overcome when Gen Alberto Natusch Busch gave up his attitude.

He also asserted that the agreement of guarantees signed on 7 August in El Alto, La Paz, with the mediation of the Catholic Church representatives, had expired.

The high-ranking representative of the collegiate government made these statements during a ceremony of support for the armed forces' regime by the leaders of the Confederation of Bolivian Peasant Workers.

This is an excerpt of his speech:

[Begin recording] We have experienced an institutional crisis which has been overcome. I take this opportunity to clearly state that in view of the institutional problem which we have overcome, the Junta of Commanders, taking care of the unity and reconciliation of the institution, has given guarantees to those who participated in the uprising.

You, as well as the citizenry, have been able to appreciate that the armed forces and the Junta of Commanders comply with their commitments. You have been able to see that everything in northern Bolivia has returned to normal.

The agreement of guarantees expired when those involved in the events which took place in Santa Cruz gave up.

The problem ended when Mr Natusch placed himself at the disposal of the Junta of Commanders; therefore, any activity or declaration on behalf of any revolutionary command in the future will be considered of a subversive nature and the Junta of Commanders will act drastically and (?justly). [applause]

GENERAL ANEZ REPORTEDLY MEETS WITH JUNTA

PY130007 Paris AFP in Spanish 2324 GMT 12 Aug 81

[Excerpts] La Paz, 12 Aug (AFP)--It has been reported that rebel Gen Lucio Anez and the Junta of Commanders ruling Bolivia met here this afternoon to find a final solution to the political crisis affecting the country.

The meeting between anez and the junta of commanders was held in the headquarters of the Bolivian Air Force (FAB).

COL DORIA MEDINA TRANSFERRED FROM TARAPACA

PY131118 Buenos Aires LATIN in Spanish 0105 GMT 13 Aug 81

[Excerpts] La Paz, 12 Aug (LATIN)--Col Arturo Doria Medina was relieved today from the position of commander of the powerful Tarapaca Regiment stationed in the El Alto zone of this capital.

Colonel Doria Medina showed through the several military crises confronted by former President Luis Garcia Meza his support for the former chief of state.

Doria Medina will become general director of the Customs House under the jurisdiction of the Finance Ministry. He will be sworn in tomorrow.

During a brief contact with this agency, Colonel Doria Medina said that he was indeed named general director of the Customs House by the high military command. He said that appointments of this type are normal in the institutional life of the armed forces.

COL ARCE GOMEZ ON DRUG CHARGES, REBELLION

PY121604 Paris AFP in Spanish 2222 GMT 11 Aug 81

[Text] La Paz, 11 Aug (AFP)--It was disclosed here today that Col Luis Arce Gomez, former strongman and interior minister of Gen Luis Garcia Meza's regime, has requested that Bolivian television broadcast the 60 Minutes program by U.S. journalist Mike Wallace which charged Arce Gomez with drug trafficking so that he may refute those accusations.

In statements made at Government House, Arce Gomez said that immediately after the U.S. television show is broadcast he would request a panel discussion with national and foreign journalists to whom he would try to prove his innocence.

He asserted that journalist Wallace had asked him for $50,000 in order to record a television program in favor of the Bolivian regime. Arce pointed out that it is probable, after his intention failed, that Wallace received that amount of money from the country's leftist opposition.

Asked his opinion on the recent events in Santa Cruz, he stated that that subversive movement was regrettable because if the militarymen fight among themselves they will give the impression that they are not (?capable of governing) the country. This would also justify the attacks from abroad of which Bolivia has been a target since Garcia Meza's coup on 17 July 1980.

The former minister ended by saying that the militarymen should unite in order to support a military president, whomever he may be, since this is the only correct step to be taken in the present situation.

OFFICIAL ON POSSIBILITY OF URANIUM IN COUNTRY

PY111531 La Paz Radio Illimani Network in Spanish 1130 GMT 11 Aug 81

[Excerpt] Maj (Edgar Ampuero), the executive director of the Bolivian Nuclear Energy Commission, has stated that 700,000 square km of Bolivian territory is believed to be apt for prospecting for and exploiting uranium.

Major (Ampuero) made this statement at the opening session of a seminar on uranium deposits. He also noted the probable existance of uranium deposits in the Cochabamba area, in the high plateau and in the western region of the country.

CENTRAL BANK PRESIDENT RESIGNS FROM POSITION

PY121944 La Paz Radio Illimani Network in Spanish 1700 GMT 12 Aug 81

[Excerpt] In a letter addressed to the members of the Junta of Commanders, Marcelo Montero Nunez del Prado, president of the Central Bank, tendered his resignation of his post. In his letter he clearly states his desire to continue cooperating for the development of the country.

He also makes reference to the serious economic situation which the country is experiencing and states that together with the Finance Ministry he has proposed a series of measures which should necessarily be adopted in the short and medium term if we wish to overcome the current proble

NEW CIVILIAN CABINET CHIEF ON LIBERALIZATION

PY112059 Rio de Janeiro JORNAL DO BRASIL in Portuguese 9 Aug 81 p 4

[Excerpt] "Nobody institutes a regime of compression [compreensao] of some liberties to last forever," new Minister-Chief of the Civilian Cabinet Leitao de Abreu stated to justify the process of political liberalization.

Although trying to limit his comments, since he still is a justice of the Supreme Court, Leitao de Abreu noted that "things are done in response to circumstances until a natural system of constitutional prerogatives can be attained. Evolution moves in the direction of decompression as much as possible.

Considering that economic and political strategies are equally important, Abreu said that both aspects are important as components of the social phenomenon. He did not want to elaborate on "the thesis of systole and diastole" [movements of centralization and decentralization of power as a characteristic of Brazilian politics] defended by Gen Golbery do Couto e Silva, but nevertheless, he commented: "That depends on the evaluation of a concrete case. One cannot speak in theory. Economic decisions have political repercussions and politics have economic effects. The same thing happens with the law; it cannot depart from social reality."

According to the minister, "everything has its natural evolution. Political opening is a natural phenomenon. Decompression is another word for political opening. Nobody institutes a regime of compression of some liberties to last forever."

He then added: "There is always compression, which is referred to as violence by some people. Obviously, there is no arbitrary violence but force which is applied on society to preserve order, which is a social good." At this point Abreu recalled Goethe's phrase: "I prefer injustice over disorder."

Repeating that decompression always exists in society, the minister mentioned the "Freudian" notion that there is always an element of compression within a state organization. Still digressing, he said that "order is a social good" and that "society is too complex for a person to define it."

Installed by President

PY130034 Brasilia Domestic Service in Portuguese 2200 GMT 12 Aug 81

[Excerpt] President Joao Figueiredo today installed Professor Joao Leitao de Abreu as his new chief of staff of the presidential palace. The ceremony took place at 1730 in the president's office, with the attendance of the Cabinet.

SAUDI FOREIGN MINISTER ARRIVES IN BRASILIA

PY130340 Paris AFP in Spanish 0154 GMT 13 Aug 81

[Text] Brasilia, 12 Aug (AFP)--Prince Sa'ud al-Faysal, Saudi Arabian minister of foreign relations, was welcomed by Brazilian President Joao Figueiredo here today.

The foreign minister arrived in Brazil today on an official visit until Saturday.

Sources close to the Brazilian Foreign Ministry reported that a scientific and technical cooperation agreement will be signed during his stay in Brazil.

PRESIDENT HURTADO'S STATE OF NATION SPEECH

PA112236 Quito Domestic Service in Spanish 0125 GMT 11 Aug 81

[State of the nation speech by Ecuadorean President Oswaldo Hurtado Larrea at the National Congress in Quito--live]

[Excerpts] I have been president for only 2 months and 17 days. Therefore, in this report to the National Chamber of Representatives, a report required by the constitution, I will also refer to the government work of President Roldos.

The political alliance that was created by two popular forces to participate in the 1978 and 1979 elections was based on the 21 points that the Roldos-Hurtado ticket presented to the public. These points were thoroughly explained in the national development plan. Therefore, as I said in my message to the country on 15 June, the action of the government that I head will follow the guidelines contained in the previously mentioned documents. For this reason, the change in the Presidency of the Republic has not implied the paralysis or modification of the programs and projects that were underway. On the contrary, there is continuity in the public work and in the great guidelines of the regime.

The consolidation of democracy, economic development and social justice will also be the main goals of my government.

Since the 1941 invasion which culminated with the imposition of the 1942 Rio de Janeiro Protocol, the country had never met a situation similar to that experienced during the first quarter of 1981. In view of Peru's new and premeditated armed aggression against the Ecuadorean detachments stationed on the unmarked border area of the Condor Mountains, President Jaime Roldos decreed a state of emergency. The Defense and Foreign Ministries adopted the most advisable positions in order to preserve the country's territorial integrity.

Our soldiers resisted heroically for 1 month and were mobilized according to the OAS decision and at the request of the commission made up of Argentina, Brazil, Chile and the United States of America. The commission monitored the compliance of the cease-fire agreement and announced its findings in Quito and Lima simultaneously. In an effort to create conditions for peace, Ecuador and Peru signed an agreement to withdraw their forces and to hold military talks in Huaquilla and Aguas Verdes.

The Ecuadorean representative stated that Peru had not complied with its obligation to withdraw its forces from the places in conflict. In view of this, Ecuador, which had already started withdrawing its troops at 1200 on 26 February 1981 in accordance with the agreement backed by the four guarantor countries, stopped its troops at three points in the Condor Mountains. These points are designated by geographical coordinates.

The Ecuadorean representative also said that none of the provisions established in the document signed on that occasion, or the implementation of those provisions, prejudice the essence of the existing territorial problem between the two countries. He added that under no circumstance will Ecuador cede any of its legitimate territorial rights. The guarantor countries expressed a similar view when they tacitly stated that nothing that the parties accepted regarding practical agreements or the terms of their acceptance prejudice the basic issues.

The conflict that occurred early this year and its dramatic consequences caused Ecuadoreans to seriously contemplate our territorial tragedy in order to find a definitive solution.

Through various paths, Ecuador has constantly sought its vital aspiration: a peaceful and just solution to the border conflict with Peru.

As I have repeatedly stated, in order to solve this conflict, we must define a territorial policy that commits the government in power now and all those which will subsequently follow. Aware of the importance of this national problem and aware of my responsibilities in the search for a solution that will permit us to have a lasting and stable peace, I will promote a dialogue with all the political and social forces. This dialogue will be aimed at finding a national consensus.

This armed confrontation forced President Roldos to make extraordinary expenditures for national defense. The government and the armed forces are aware of their effect on the development of the country, but we are also aware of the need to protect the country's territorial integrity as best possible we can without getting involved in an arms race.

The government has condemned the disregard for the self-determination of nations, expecially for the self-determination of Cyprus, Namibia, the Middle East, Afghanistan and El Salvador.

The government has participated in subregional, regional and worldwide initiatives seeking the defense of raw materials, the interests of developing countries and the strengthening of reciprocal cooperation. The government has openly noted that the international cooperation of the industrialized countries is not enough and has demanded that greater attention be paid to the problems of the Third World.

The government has maintained a firm position in the defense of the 200-mile limit. In the face of the U.S. prohibition on Ecuadorean tuna imports, Ecuador got the OAS General Assembly to censure such an unjustifiable attitude.

Regarding the problems at the Ecuadorean Embassy in Havana and the entry of armed members of the 19 April Movement of Colombia, as well as other aspects of our foreign affairs, I refer you to the foreign minister's annual report.

Following a thorough analysis made by various government agencies, I ratified the country's participation in the Cartagena Agreement. The country had suspended its participation in this agreement after the aggression it suffered from one of its members. On this occasion, the government demanded compliance with the decisions regarding sectorial programs for industrial development as well as with those regarding common external tariffs, a tax reduction, a common policy on foreign capital and the creation of the Andean court. [applause]

My government will carry out an independent foreign policy free from any tutelage. It will defend the principles of nonintervention, self-determination, the juridical equality of states and the peaceful solution to controversies. It will promote respect for ideological pluralism and human rights, which are being seriously violated nowadays in various regions of the world. It will maintain diplomatic and economic relations with all the countries according to the country's best interest.

The government will repudiate any form of intervention, aggression, colonialism, neocolonialism and imperialism. It will also repudiate the use of force to solve conflicts among nations. It will zealously defend the country's sovereignty, particularly the Amazon rights of Ecuador.

The government will participate in actions aimed at confronting the increasingly burdensome dependence of the Third World countries and favoring the organization of the raw materials and food-exporting countries. It will participate in international forums which discuss concepts for a new international economic order and international social justice. It will support the strengthening of the United Nations and its organizations. It will also support the OAS, SELA, the Andean Pact, the Latin American Integration Association and all the organizations that promote the integration of Latin America. It will support any efforts aimed at seeking the disarmament of the region to thus release economic resources badly needed for the development of our countries.

The restoration of democracy coincided with the weakening of our sources of funds because of a standstill in oil production and the large foreign debt. This situation deteriorated after the second half of 1980 because of the international economic crisis which, among other aspects, resulted in the doubling of interest rates. This situation also complicated in 1981 with the armed conflict with Peru.

The growth of the Gross National Product in Western industrialized countries dropped to 1 percent per year without any signs of improvement in the short term. Since Ecuador is an economically dependent country, its development is subject to its exports which have been mainly responsible for growth throughout the republic. However, as a result of these facts, our exports are facing serious difficulties and have tended to deteriorate. To this, we must add that in view of the carelessness of previous administrations, oil reserves had not been increased; so that in the past 2 years it has not been possible to increase oil production significantly. As a result of this new economic reality, our economy cannot grow at rates of the past decade, or even at the rate predicted in the national development plan.

For this year, the government has estimated that the gross national product will increase to 4 percent. Higher growth rates would only be possible through [words indistinct] currency changes or through increased foreign debt. The Committee on Foreign Credit has been established to limit the foreign debt. In addition, the increased foreign debt will result in mortgaging the country, a fivefold increase in the inflation rate and deficit in the balance of payments.

Therefore, I am issuing a call for austerity. Public as well as the private economic activities must be reduced to proportions compatible with the new conditions of the countrys' economy.

Just as businessmen cannot earn the high and easy profits that characterized the petroleum period, the state cannot maintain the previous pace of projects and worse yet, the bureaucratic squandering of the past decade. The public and the private sectors must seek optimum use of the scarce resources that we now have. This means that strict priorities must be established, that productivity must be increased and that superfluous expenditures must be eliminated. In sum, this means that we must go back to the austere habits and behaviors that characterized Ecuadorean society in past decades.

The implementation of this economic policy does not imply the paralyzation of investments and the government work. The basic projects and programs will continue at the pace foreseen in the national development plan; but in certain cases we will have to postpone or delay the completion date in accordance with the availability of funds. The economy is experiencing a transition period. If it is handled correctly, as is the desire of this government, we will overcome our problems, thus laying the groundwork for another era of prosperity in the future. To do this, we must balance the economy which, under the present circumstances, is the government's top priority. This will be possible if we submit to planning with discipline. This is the first democratic government to adopt planning as a basic instrument for the administration of the state. The national development plan is the most complete, extensive and detailed plan ever drafted in Ecuador. [applause] Also for the first time, the government has adopted the 1-year planning policy whose drafting included the participation of the ministries and the other state agencies. Thanks to this, it is possible to follow the implementation of programs, their changes when the situation in the economy changes, their correction when they get off balance and the reprogramming of projects in line with available resources and the administrative ability of the institutions which are carrying them out.

In these 2 years, planning has been an invaluable aid to government and I will continue using it during the 3 years that I will remain in office.

In the economic sphere, the fiscal problem is the most difficult, because of its magnitude and because its solution does not only depend on the action of the executive branch. In effect, the Chamber of Representatives approves the state budget as well as the tax laws and amendments.

The central government is only in charge of 1/3 of the public expenses and spending is frequently not under its control, as when increases in salaries are approved by law and collective agreements or when deficits incurred by municipalities and provi cial councils are made up at the expense of the tax rate. The budget is also affected by the increasing demands of cities, provinces and regions.

Unfortunately, it is not always taken into account that while the people's needs are unlimited, the economic resources of the state are dramatically limited.

In order to carry out the healthy self-criticism that must always be made so that the repetition of past errors may be prevented, we must establish the main reason for the fiscal crisis: Between 1979 and 1980 the government budget increased from 28 billion sucres to 49.8 billion sucres. No economy can increase its public expenditures by 76 percent in 1 year without suffering serious imbalances, particularly if at the same time the foreign debt was being thrown off balance. As a result of this, the 1980 budget left a deficit of 8.6 billion sucres and, according to Finance Ministry estimates, the budget for 1981 will leave a deficit of 20 billion. This can only be corrected by creating more taxes and by restricting public expenditures. Therefore, whenever the people demand more projects and government expenditures we are indirectly forcing it to create more taxes or get more credits.

The Ecuadoreans who are used to living off the oil surplus have forgotten their obligation to contribute to the treasury by paying taxes.

The measures taken at the beginning of the year included increasing import duties. These duties were again increased a few days ago. In both cases, we are trying to discourage the increased imports which are not in line with the relative stagnation of our exports and which, as a result, could prompt an imbalance in trade.

In addition, with the collection of new duties, we will replace the revenues that the treasury will not receive as a result of projects that the executive branch sent to the Chamber, eliminating the revenues from coffee and cacao. [applause]

It must be stressed that the increase in duties does not affect products required by productive activities or the staples.

A poor society such as ours cannot waste its scarce foreign exchange in extravagant consumption.

The increase in the price of fuel was a measure necessary and appropriate to the interests of the country and the Ecuadorean people. The subsidy that the state was giving to the oil byproducts was regressive because it favored the wealthier social classes. In effect, the owner of a 3,000-cc car received an annual subsidy of 36,000 sucres while the owner of a 1,000-cc car received 13,000 sucres. Meanwhile, most Ecuadoreans, who do not own cars and use public transportaion, barely received a subsidy of 330 sucres per month. A poor family received 180 sucres per month for electricity while a rich family received 1,600 sucres.

Moreover, the fact that fuel was inexpensive was encouraging waste and contraband. Oil is a scarce and nonrenewable resource which we must administer with the greatest savings possible. Until 1980 fuel consumption increased 15 percent annually. If this had continued and if production had not been increased, then by 1985 we would have no longer been able to export oil. Aware of his historical responsibility, President Roldos decided to increase the price of fuel. This measure has permitted a reduction in consumption. Between February and June it decreased by 10 percent, having 32 million gallons of petroleum byproducts.

The economy will have greater problems in the future if the petroleum reserves and production are not increased. [station goes off the air]

For this reason, we have given a high priority to the construction of hydroelectric plants. The most important is the one in [pause] which is 60-percent complete. When it is finished in 1983, 500 MW of hydroelectricity will be added to the country's system. This energy will represent a savings of 5 million barrels of fuel per year.

The agricultural sector has recovered its pace. Between 1977 and 1979 it increased production by 1.7 percent per year. This is less than the population growth rate. However, the agricultural growth for 1980 was estimated at 3 percent and in 1981 it will be more than 4 percent.

Agricultural production has certain structural limitations which cannot be solved in the short term These limitations are evinced by the deficient distribution and use of the land; the existence of a large concentration of people in the rural area, particularly in the poorest regions; by deficiencies in infrastructure and technology which result in low productivity; and by inadequate systems for marketing products. These problems demand that planned and systematic solutions be applied in coherent, continued and coordinated ways over a period of many years. Therefore, the government has begun to systematize the more than 200 laws and regulations regarding the agrarian sector and will soon submit to the Chamber an agrarian code to substitute them.

The traditional exports, banana, coffee and cacao, are facing serious difficulties because the international market has contracted; their sale abroad has been reduced in volume and price. In a highly competitive international market, our agricultural products cannot compete because of the l w productivity which is up to three times less to that of other countries. Under these circumstances, the government deemed it necessary to send two bills to the Chamber providing that coffee and cacao are exempted of export duties as an emergency measure. In the event that prices improved, as was just the case, these funds will be devoted to a stabilization fund. The definitive solution to problems in this sector will be delayed a few years because we must renew plantations, improve farming techniques and thus increase productivity.

Regarding bananas, the government has started to replace the marginal areas with other crops such as plantain, which has great outlook in the international markets. The future of the other tropical products is very optimistic. The country will very soon be self-sufficient in cooking oil from oleaginous plants and it is expected that we will not have to import rice and corn.

Although the growth rate of industrial activities has not reached the level of the past decade, it is estimated that by 1981 it will be 8 percent. This is still a high figure if we take the general situation of the economy into account. The increase in costs because of salary increases and the reduction of the workweek affected small industries, which are more labor-intensive most of all. The state's technical organizations have concluded that these increases and reductions are prompting a concentration in the industrial sector.

The government is dealing with the financial problems of this sector as its ability allows. For example, new credit lines were extended to small industry and other means are being sought to increase them.

Fishing has become the most dynamic productive activity. This year it will attain the 12-percent growth rate foreseen in the plan. Exports of sea products have grown so quickly that in 1981 they will amount to almost $200 million, thus occupying third place, after oil and bananas.

The construction sector, which saw a decline in 1978 and 1979, recovered in 1980. Estimates are that it will grow by 5 percent in 1981. The reactivation of this activity, which is so important in generating employment, has been possible thanks to the government's promotion of public works, particularly the major projects included in the plan.

The achievement of the goal of social justice has been one of the major concerns of this administration which, after being elected by the great popular majorities, must be accountable to them.

The complexity of the Ecuadorean society, which is characterized by the existence of profound structural imbalances that are hard to overcome within a short time, the technical weakness of the public institutions in charge of the social sector, the lack of adequate legislation, and the tendency to act both autonomously and without coordination, constitute serious obstacles to achieving social justice.

One of the government's most important social transformations has been in the field of education. For decades, there had been talk in this country about the problem of illiteracy and about the need to eradicate it. Unfortunately, it was all rhetoric. When the democratic government began, 22 percent of all Ecuadoreans were illiterate. Since then, through 5,236 literacy and popular culture centers, it has been possible to drastically reduce the number of illiterates to 10 percent. [applause] By the end of my term, I will be able to announce to Ecuador that all citizens know how to read and write. [applause]

In spite of negative economic and political factors, the country's labor problems have not worsened. On the contrary, the number of collective conflicts has declined slightly. In the past 12 months, 244 conflicts have occurred, 15 less than in the previous period. Certain individuals or groups have insisted on talking about alleged labor chaos or the dissolution of labor-management relations. Immediate, prudent actions, which have always been in accordance with the law, have prevented the escalation that had been feared. At present, labor conflict remains at levels that can be regarded as acceptable.

Between 1979 and 1981, wages have increased 169 percent, while the accumulated price increase has only been 48 percent. These figures show that the workers' buying power has improved, even after their wages were frozen under the last dictatorial government.

The wage systems, however, has become extremely complex, discriminatory, and in some way centralized. The wage system has tended to become disconnected from social security. In the future, due to the general situation of the economy, it is necessary to proceed with utmost prudence when deciding on readjustments, because of the effects that they would elicit--speeding up inflation and making costs climb, for instance--as regards our exports. The economic system could not endure another minimum-wage increase of 100 percent; it would become irreparably imbalanced.

In addition, it must be borne in mind that about 50 percent of the labor force does not participate in the wage system. The government will not be able to attend to this destitute sector, which the (TRAN) benefits with its social programs, if it is forced to increase its salary expenses.

In July 1980, the annual inflation rate was 13.4 percent. In July 1981, it was practically the same, 13.6 percent. Maintaining this price-increase rate in spite of the high world inflation--which exceeds 20 percent in several industrialized countries--after doubling the minimal wage last year, reducing the work week to 40 hours, and having drawn up a state budget that grew by 76 percent, constitutes, I think, a success of the government's economic policy. Few countries can show at this moment such a relatively low inflation rate as Ecuador.

The democratic regime that began on 10 August 1979 has passed many difficult tests. Now it is time to strengthen and improve its institutions. In order to do this, the most scrupulous respect for human rights and public freedoms is necessary as well as the gradual solution of most pressing economic and social problems, the efficient and honest exercise of authority and the honorable administration of justice.

If my government's democracy, which is not perfect, is to be improved, those of us who exercise public duties must not close our eyes to its weaknesses. On the contrary, it is necessary to vie these weaknesses positively and to seek the means to correct them. All citizens have a responsibility in this task, especially the state and its institutions, the provincial and municipal councils, the political parties, the labor and business organizations, the universities and the communications media.

Immorality is the democratic system's worst cancer. Ecuadorean society has become corrupt and with it, the public service. Behind every dishonest customs employee there is always a smuggler, protected by the title of merchant. When immorality occurs in the private sector, it is veiled in silence. In a democratic society, all of the government's actions become public.

Concerned over the moral reconstruction of the state's institutions, I have asked the ministers to dismiss every corrupt official that they come across. [applause] In addition, I will soon submit to the Chamber a bill to punish the illicit acquisition of wealth and I have issued a number of administrative provisions with the same purpose. This is where the responsibility inherent in executive duties concludes. Then comes the judicial process, which falls within the purview of the judges, who belong to another branch of the state.

Unfortunately, Ecuador's baroque procedural laws have been drafted so that a judgment and sentence may be delayed for 10 years or more, allowing those who commit crimes to mock justice. In the face of this reality, it is essential to reform the judicial system, particularly the laws that regulate the procedure with an eye toward simplifying it. The government offers its cooperation in this matter.

I cherish the hope that the traditional practices, according to which the relations between the National Chamber of Representatives and the government can only be marked by either confrontation or submission, will be abandoned during my administration. A modern democracy also has room for consensus. If there are many parties, a variety of ideological persuasions and different political interests, it is only natural that there should be discrepancies between the executive and legislative branches, something that naturally occurs in a true democratic system. There is room, then, for a dialogue between these two branches of the state. This will enable them to work jointly and harmoniously in search of suitable solutions to the national problems and to study and issue the laws that have been submitted to the National Chamber of Representatives.

I also cherish the hope that the dialogue between businessmen and workers--which I have called with an eye toward reaching a social agreement that will make it possible to resolve the country's difficult economic situation--will become a reality.

The strength of the political parties determines the solidity of a democratic system. With the discovery of oil, the economy has grown and the country has progressed. Unfortunately, the political practices have not evolved in the same manner and in some cases they retain the characteristics of past decades. Despite the contribution made by the law on parties, much still remains to be done so that our political organizations can meet Ecuador's demands at the end of the present century. Time will be needed for this and, obviously, the permanence of the democratic system, the vital space in which parties are born and develop. Beyond their differences of ideology and programs, which are natural in a pluralistic society, no party should contribute to the ungrateful task of discrediting either the constitution or the functions of the state--the executive, legislative or judiciary--and its organizations. When one acts in this manner, one unconsciously opens the way to dictatorship.

Ecuadoreans, in my 15 June message I asked for austerity. Today I make an appeal for work: businessmen should stop complaining. Push your fears aside and make the investments that the country needs. Create the jobs that the people demand. The workers should lend their vigorous and disciplined participation to the fatherland, for without it, Ecuador will not be capable to complete the gigantic task of national development. With an optimistic view of the future, we should all abandon idleness, disorder, incapacity and irresponsibility. We should all work tirelessly in the construction of a humane, progressive, just, and free society marked by solidarity. [applause]

Mr President, legislators: Regarding the rest, I refer you to the reports presented by the ministers of state, where the details of the government's work during this second year of constitutional regime are recorded. Thank you very much. [applause]

PRESIDENT HERRERA COMMENTS ON REGIONAL TOPICS

U.S.-Latin American Relations

PA080313 Paris AFP in Spanish 0214 GMT 8 Aug 81

[Text] Caracas, 7 Aug (AFP)--The firm attitude of the Latin American countries is making U.S. President Ronald Reagan's policies toward this region "less aggressive and more prudent," Venezuelan President Luis Herrera Campins said here today.

With President Reagan's arrival at the White House "we began to hear his first points of view through a number of statements which sparked great concern," the Venezuelan president said.

He added that a threatening tone could be sensed behind these statements which made the Latin Americans more pessimistic and fear a return to the old interventionist policies.

The firm attitude of the Latin American countries rejecting the policy of threats and the intervention policy, "has shaped a less aggressive and more prudent policy which the new U.S. Government has begun to implement," he added.

He said that Venezuela still has an expectant attitude with regard to the orientation of the present U.S. economic policies in the area, where, he said, a delicate situation exists. There is upheaval in many countries, political instability and an undeniable economic crisis in others. "Therefore, the United States has to thoroughly analyze the steps it will take."

"I believe that all (steps) which move us toward a feeling of solidarity, without political conditions, will be very well received by our countries," he said.

The Venezuelan president recalled the regional frustration that was felt when, during the last political debate between President Jimmy Carter and his later victor Ronald Reagan, the U.S. policy toward Latin America was not discussed with the duration and depth we had hoped for.

"It is undeniable that this is a matter of great importance because of political and economic relations existing between the Latin American countries and the United States, and the importance that our continent also has for the United States," President Herrera Campins emphasized.

Oil to Brazil; Amazon Pact

PA082353 Buenos Aires LATIN in Spanish 2148 GMT 7 Aug 81

[By Orlando Lizama]

[Excerpts] Caracas, 7 Aug (LATIN-REUTER)--Venezuela is willing to increase its oil supplies to Brazil, President Luis Herrera Campins announced today.

The president indicated, however, that supplies will be increased as available.

Herrera Campins talked to foreign correspondents 3 days before leaving on an official visit to Brazil, which begins Monday.

"We are, of course, willing to consider all requests in accordance with what is available," he said.

Venezuela, which is an OPEC member, has reduced its production in the past few weeks to counteract the current oil glut.

Until the week that concluded on 27 July, this country was selling 100,000 barrels of oil per day to Brazil, of an average exportable total of 1.75 million barrels per day.

The Venezuelan president sounded optimistic about the possible results of the North-South dialogue that is to be held in Mexico in October.

According to him, this meeting will be held thanks to a "great opening by the industrialized nations that had most firmly opposed a resumption of these world negotiations, which had reached a standstill."

Herrera Campins also commented on the Amazon Pact signed by Brazil [as received], Peru, Colombia, Ecuador and Venezuela.

He described the initiative as "interesting," affirming however that "not much has been advanced with regard to its implementation."

"I think enforcement is what the Amazon Pact has lacked the most so far. In principle, the governments that signed it are willing to do everything possible to develop the pact. I am afraid, however, that there has not been such a determination in each and every one of the countries," he said in conclusion.

PRESIDENT SAYS COUNTRY PLANNING TO BUY F-16'S

PA090019 Paris AFP in Spanish 2322 GMT 7 Aug 81

[Text] Caracas, 7 Aug (AFP)--President Luis Herrera Campins today announced that Venezuela is determined to buy the U.S.-made F-16 plane to renew its air force inventory.

At a news conference with the foreign press, the Venezuelan president noted that "we want to purchase the F-16 planes from the United States to renew our air force according to our resources allocated for the defense sector and the availability of human resources to man them."

"The trip that Interior Minister Montes de Oca may make to France is not at all related to the acquisition of planes, which is a matter that does not concern Minister Montes de Oca," he added.

President Herrera Campins was referring to rumors that Venezuela was also studying the possibility of acquiring the French Mirage 2000 plane.

HERRERA ADDRESSES NATION ON EVE OF VISIT TO BRAZIL

PA100140 Paris AFP in Spanish 0046 GMT 10 Aug 81

[Text] Caracas, 9 Aug (AFP)--On the eve of his 4-day visit to the giant Amazon country, Venezuelan President Luis Herrera Campins stated here today that Venezuela and Brazil are bound not only by geographic and historic ties but by the circumstance of acting within the world in development.

In an address to the nation on this occasion on radio and television, the chief of state said that the world is living through difficult days and expressed his special concern with the situations in Lebanon, Ireland and Poland. He noted that the war between Iran and Iraq, partners of Venezuela in OPEC, is tending to become chronic.

Reviewing the Latin America situation, he underlined that although tension has eased somewhat in the principal areas of Central America, to the south the Bolivian situation, with the dramatic presence of coups d'etat, worries Venezuela.

Also, he expressed hope that Panama's democratic strengthening will continue following the tragic death of Omar Torrijos in an air crash.

Regarding these problems, he stressed that they "demand maintaining open communications and making personal and direct contacts both at the level of chiefs of state and ranking officials" of governments.

He added that these direct conversations between chiefs of state permit frank and sincere airing of existing problems, which no one can evade by virtue of interdependence.

His 4-day visit to Brazil, at the invitation of his counterpart Joao Baptista Figueiredo, was interpreted here as purely political. He described Figueiredo as a friend, underscoring that Venezuela maintains "very cordial and friendly relations" with Brazil.

Interior Minister Rafael Montes de Oca, considered the president's right-hand man, was sworn in today as acting Venezuelan president in his absence; while other ranking officials were also sworn in as acting ministers to replace the members of the Venezuelan mission who will accompany him on his Brazilian tour.

PRC'S HUANG HUA ON RELATIONS, HERRERA VISIT

PA042316 Caracas Radio Continente Network in Spanish 2100 GMT 4 Aug 81

[Summary] "President Luis Herrera Campins' visit to China in November will open an important chapter in Chinese-Venezuelan relations, China's Foreign Minister Huang Hua told his station at the end of a meeting with his Venezuelan colleague Jose Alberto Zambrano Velasco at the Yellow House."

Foreign Minister Huang Hua said that relations between the two countries are very cordial and that the Chinese people look forward to welcoming President Herrera Campins when he visits China in November.

BRIEFS

OIL PRODUCTION--Caracas, 8 Aug (LATIN-REUTER)--The Energy and Mines Ministry today reported that average oil production up to 5 August was 2,099,000 barrels a day. The production goal for this year is 2.2 million barrels a day. Exports have decreased by 7.35 percent compared to 1980. As of 29 July, 1,701,000 barrels a day were being exported. [Buenos Aires LATIN in Spanish 1721 GMT 8 Aug 81 PA]

LOPEZ PORTILLO 'PLEASED' OVER TALKS WITH CASTRO

FL101355 Mexico City NOTIMEX in Spanish 0110 GMT 9 Aug 81

[By special correspondent Enrique Alvarez Manilla]

[Excerpt] Cozumel, Quintana Roo, 8 Aug (NOTIMEX)--Mexican President Jose Lopez Portillo, commenting on the results of his talks with Cuban President Fidel Castro, said: "I am very happy to have dealt once again with the commander, who is all man."

Lopez Portillo very briefly outlined his talks with Fidel Castro, the third such talks to have taken place since Lopez Portillo became president in 1976.

The Mexican president was at the tourist dock on this Caribbean island to bid farewell to his distinguished visitor, whom he embraced warmly, just as he had done on Castro's arrival.

PRESIDENT LOPEZ PORTILLO ADDRESSES INDUSTRIALISTS

FL102147 Mexico City NOTIMEX in Spanish 2015 GMT 10 Aug 81

[Text] Mexico City, 10 Aug (NOTIMEX)--Mexican President Jose Lopez Portillo has expressed confidence in the patriotic will of industrialists and urged them not to deviate from their course and always honor commitments because "only our cowardice, thoughtlessness and disloyalty to Mexico could make us fail." The president was addressing Mexican industrialists who met this morning with the chief executive in Los Pinos [official residence]. The industrialists were headed by the president of the Mexican Confederation of Industrial Associations (an organization that groups the industrial sector), Alfonso Pandal Graf.

Thanking the industrialists for their support of the basic products program, Lopez Portillo said that they should support the working class and organize themselves as exporters because that is the platform that has built up the country. He also asked them not to lose step, to close ranks and become fully aware that the country's development plan is a valid and effective one; it has its problems, he said, but "what life is there with no problems? Mexico is a deeply vital country with many concerns."

President Lopez Portillo remarked that it is a privilege to live in times like these in which there is so much to do, so many projects to see through, to which we must be loyal and faithful, which we must push and realize--that is the historic responsibility of the business class. He told the industrialists that the working class hit the right note at the start of the regime by moderating their demands and it demonstrated that stability and the government-workers pact is still alive and functional. This, he went on, made it possible for the country's other productive forces to recover their awareness and confidence and to produce an extraordinary record of growth which amazed the world.

The Mexican chief of state was referring to the basic products program implemented in behalf of the working class to give them something back in exchange for the sacrifices they made at the beginning of the regime.

He underscored that for a country like Mexico to solve the problem of inflation, it must do so not by bringing down demand but through production since the former would be absurd in a Mexico of accumulated shortages, and society would not tolerate it.

The Mexican president said that solutions to inflation are not found in a world made to our image but influenced by many and powerful factors that are beyond our reach.

This is the case of the measures of extraordinary power taken by the U.S. administration which decisively influence the whole world's economy and obviously have to make an impact on Mexico's.

The fundamental thing, he said, is to maintain the validity of goals and priorities and keep alive the social pact and the alliance for production that has given us such good results and has been the only way to attack the problem of inflation, he concluded.

HAVANA REPORTS IDEAS ON CUBAN CANCUN PARTICIPATION

FL011434 Havana Voice of Cuba in English to North America and the Caribbean 0800 GMT 1 Aug 81

[Text] The Mexican media are giving wide coverage to that country's suggestion that Cuba be granted observer status at the upcoming international conference on cooperation and development. The conference, which has been called the North-South dialogue, is scheduled for next October. Heads of state will be meeting in Cancun.

Mexico's Foreign Relations Secretary Jorge Castaneda made the recommendation at a meeting of the 14 Group of 77 member states [as heard] at UN headquarters earlier this week.

Cuban Foreign Minister Isidoro Malmierca told the meeting that Cuba, as president of the Nonaligned Countries Movement, should be at the conference. He criticized the United States for pressuring developing countries to exclude Fidel Castro from the meeting. Malmierca's comments have also been given wide play in the Mexican press.

ENVOY TO CUBA ON NORTH-SOUTH, OTHER TOPICS

FL101625 Mexico City NOTIMEX in Spanish 2221 GMT 8 Aug 81

[Pool item by special correspondent Enrique Alvarez Manilla]

[Text] Cozumel, Mexico, 8 Aug (NOTIMEX)--Mexico cannot serve as representative of the group of nonaligned countries at the North-South dialogue, because it does not belong to that bloc. Moreover, chiefs of state of nonaligned member countries will be in attendance.

This was stated by Gonzalo Martinez Corbala, Mexican ambassador to Cuba, who added that, however, many nonaligned countries hold similar positions to those of Mexico because they are all developing countries.

The diplomat explained that as regards representation of the interests of these groups, it is known that no one will speak on behalf of the group of nonaligned countries because the Cancun meeting will not be a meeting of groups.

Martinez Corbala reiterated that the Third World is not a formally established group. It has no presidency or any type of organization, although there are common interests, which is why the group is described as such--as the countries of the South as opposed to the countries of the North.

On another subject, commenting on the plan to aid Central America and the Caribbean proposed by the United States, the diplomat said that Canada and Mexico are willing to participate in it, in line with the agreements reached at the meeting of foreign ministers in Nassau.

Mexico, he added, continues to seek a better distribution of wealth within the countries of the area at a time when tensions have been aggravated and the violence in El Salvador and Guatemala is causing a crisis. Mexico, he said, is doing all it can to help bring an end to violence through the peaceful solution of conflicts and has not discounted the risk that new problems may arise as long as solutions are not based on the economic aspect.

Martinez Corbala added that the Mexican Government's contribution to the Central American and Caribbean area is very important, given the possibility of easing national tensions in order to open the doors to dialogue and negotiation as possible ways of solving present political conflicts. He indicated that it is to the advantage of the United States and the USSR for there to be calm in the Central American area because world peace and detente are of interest to everyone, since the survival of the world is at stake.

Commenting on bilateral relations between Mexico and Cuba, he explained that several development programs are underway, including the drilling of oil wells and the production of gas. The diplomat indicated that Mexican technology is being used in Cuba for the production of both gas and oil and results are expected soon. In addition, there are possibilities for exploiting the Cuban coasts for industry.

In the same area, Mexican Petroleum has used its experience to rehabilitate and expand the Havana refinery. The investment involved is not large, but it is of great importance to the Cuban Government, because this is its only refinery.

Martinez Corbala said the agreement with Cuba on sugar is very important to Mexico, as is the coffee agreement, particularly as regards the control of diseases such as the rust and stalk-borer diseases.

Finally, the ambassador said that it is very important to acquire Cuban technology in the sugar industry, since that country has 152 sugar mills, all of which are computerized and centrally managed through an information system that allows them to function adequately and without losses.

BOLIVIAN COB LEADER ROMAN DIES IN CAR ACCIDENT

PY101910 Buenos Aires TELAM in Spanish 1850 GMT 9 Aug 81

[Text] Chilpancingo, Mexico, 9 Aug (TELAM-EFE)--The police disclosed here today that Jose Enrique Roman, leader of the Bolivian Labor Confederation (COB) in exile, died in a car accident yesterday.

The federal highway patrol pointed out that the accident in which Roman died took place when the COB leader put the brakes on at a very sharp curve, which caused his car to turn over and crash against a slope.

Roman worked at the Guerrero Private University and lived in this country as a political in exile. The authorities of Guerrero University took care of his funeral arrangement and expenses.

Bolivian circles in the Mexican capital stated that Roman's body would be shipped to his country if the current regime allows it and that, if not, he would be cremated. Chilpancingo is located 300 km southeast of Mexico City.

NATIONAL GUARD GENERAL STAFF REAFFIRMS UNITY

PA100025 Panama City LA REPUBLICA in Spanish 7 Aug 81 pp 1, 10

[Pablo Castrejon Jr article]

[Text] In the first working meeting that the National Guard General Staff held on 50th Street, Col Florencio Florez, commander in chief of the National Guard, told LA REPUBLICA: "We continue to work on the great work of Gen Omar Torrijos Herrera with complete unity, optimism and dynamism. This meeting is being held to continue the line drawn up by General Torrijos and to carry out what our commander wanted...."

The first working meeting under Commander Florez was held this morning in the house on 50th Street where General Torrijos met many times with the members of the General Staff to discuss the country's problems. Colonel Florez said: "We are holding this meeting in his honor in the same house where the chief used to meet."

Colonel Florez also said: "We will maintain unity and we expect it to be evident at all times among the government, the people and our organization...."

He concluded by saying: "We started the domestic tours in Coclesito yesterday. These tours will be constant throughout the country."

The 50th Street meeting presided at by Commander Florez was attended by. Lt Col Ruben Dario Flores [as published; Lt Col Ruben Dario Paredes], Lt Col Manuel Antonio Noriega, Lt Col Armando Contreras, Lt Col Manuel J. Arauz, Lt Col Pedro Ayala, Lt Col Armando Bellido, Lt Col Roberto Diaz Herrera, Lt Col Cecilio Fischer and Lt Col rcos Justines.

Meets With President Royo

PA120212 Panama City Televisora Nacional in Spanish 2315 GMT 11 Aug 81

[Text] President Aristides Royo today held his first working breakfast with the new National Guard Commander in Chief Col Florencio Florez. The breakfast was attended by the National Guard General Staff.

National Guard sources informed this station that today's meeting is the traditional meeting between the president of the republic, the National Guard commander and the General Staff. According to official sources, the agenda covered various matters as was to be expected of this important first working meeting between President Royo and the new National Guard commander.

COL FLOREZ SAYS GUARD SUPPORTS CIVILIAN AUTHORITY

PA121714 Panama City CRITICA in Spanish 12 Aug 81 p 1

[By Tomas A. Cupas]

[Excerpts] Panama, 12 Aug (UPI)--Col Florencio Florez Aguilar, commander in chief of the National Guard, today said that the National Guard will continue to support the civilian authorities and serve the people of Panama.

In an exclusive interview with UPI, Florez said he would continue the work of Gen Omar Torrijos Herrera, whom he succeeded as chief of the National Guard following Torrijos' death in an airplane crash on 31 July.

"We will continue to respect the civilian authorities and to serve the people of Panama in the same manner as General Torrijos," said Florez, who has the rank of colonel, although sources close to the National Guard say that he might be promoted to brigadier general in September.

Florez' office is decorated with several pictures of Torrijos and during the interview he met with former world welterweight champion Roberto "Mano de Piedra" Duran, who arrived last night from Cleveland, where he won the fight against Mike "Nino" Gonzalez on Sunday.

Duran had come to greet Florez after placing a floral wreath at Torrijos' grave.

Florez, who is very popular in the country for his support for amateur sports, especially among school children, attended Sunday's opening of the children's baseball league of Anton, 135 km from Panama City.

He also visited Coclecito, General Torrijos' development project, and promised the people who live there that he will not abandon them and will continue the work of the late general.

Visits Veraguas Military Zone

PA112018 Panama City Circuito RPC Television in Spanish 1715 GMT 11 Aug 81

[Text] Col Florencio Florez, chief of the National Guard staff [title as heard], recently visited the members of the 3d Military Zone in Veraguas commanded by Maj Angel Mina in order to point out the principles and guidelines imposed by Gen Omar Torrijos Herrera.

The Veraguas National Guard troops rendered military honors befitting Colonel Florez' rank. Colonel Florez indicated that in order to follow General Torrijos' principles, they must be united so that with work and effort, they can finish what General Torrijos wanted for his people. He added that the 3d Military Zone of Veraguas has the most important mission since General Torrijos was born in that province and it must serve as an example to honor his memory.

PRESIDENT CALLS FOR COUNCIL OF STATE MEETING

PA090250 Panama City Televisora Nacional in Spanish 2315 GMT 8 Aug 81

[Text] Aristides Royo, president of the republic, has called for a general Council of State meeting ofr this Monday. The general Countil of State will take place in the community of Cermeno.

The event has caused general interest since it will be the first high-level government meeting following the death of Brig Gen Omar Torrijos Herrera.

It is expected that after Monday's general Council of State meeting, there will be announcements to the nation regarding the reorganization of national development plans, from general programs to large-scale projects such as the Cerro Colorado mining project.

INVESTIGATION OF TORRIJOS ACCIDENT CONTINUES

PA102120 Panama City Circuito RPC Television in Spanish 1715 GMT 10 Aug 81

[Text] It has been reported that were two explosions in the airplane accident in which Gen Omar Torrijos died. It has not been established whether one of them was caused by explosive material foreign to the plane, Attorney General Olmedo Miranda told Circuito RPC today.

The first pictures showing the wreckage of plane FAP-205 carrying Gen Omar Torrijos and six passengers were shown exclusively to Circuito RPC today. This film taken by our cameraman Samuel Valdelamar shows the wreckage of the plane, which was strewn over a wide area. Only the tail of the plane was in one piece. The only belongings of General Torrijos that could be recovered were a ring and other gold jewelry, some coins, his service automatic, and the handle of his personal briefcase; the bodies of General Torrijos and the six other persons with him were completely destroyed in the explosion.

Attorney General Miranda made the following statement regarding the investigation:

[Begin recording] We are getting statements from all the people we think necessary. We are in the initial stage of the investigation. The country can be sure that this is an objective, serious investigation, and that we will try to investigate all the aspects that the investigation might require. Here in my office I have some photographs, which I can show you. You can see clearly the condition of the plane wreckage and the effort needed to reach the spot, so that the citizens, once and for all, can forget that the attorney general's office, or the government, or anyone, is hindering or hiding anything regarding this regrettable accident. I, more than anyone, am very interested. I am making every effort to clear up this accident in which someone very dear to me, and whom I loved and respected, died.

[Question] Attorney General, according to peasants in the area, there were two explosions: one in mid-air and the other when the plane crashed into Santa Marta Hill. What is the official version regarding this report?

[Answer] The person who heard, or who says he heard, the two explosions has already testified. He has already testified, and there is the possibility that the first explosion or impact occurred when the plane violently hit Santa Marta Hill. Possibly the second explosion occurred when the plane's diesel [as heard] tanks started to burn, because we found that the plane was almost completely destroyed. The tail is the only part that was recovered in fair condition. The rest was completely destroyed.

[Question] Is it not indicative that the plane's tail remained intact and the rest of the plane was destroyed because of the explosion?

[Answer] I have my own conclusions, but they will be made public when I complete my investigation.

[Question] Have any explosives, or traces of any explosive materials, been found at the scene of the explosion?

[Answer] All we found there were the weapons of the escort, and General Torrijos' weapon. That is all, as far as weapons are concerned. No other type of explosives have been found, nor has it yet been shown that the accident was due to an explosion. I believe that it was due exclusively to pilot error, or bad weather, and they hit the hill head-one. That is what the investigation has shown until now.

[Question] What is the next step in the investigation?

[Answer] I repeat that I will go back to Penonome and Coclectio. I want ot establish whether these angles are true or not. After that I will wait for the experts' report. That is not part of the attorney general's office duties, because what we are investigating is the cause of the death of those seven people. According to our laws that is the duty of a circuit judge. Therefore, the government's final opinion will be voiced by the Penonome circuit judge. However, I will be watching the investigation to the very end. When I am convinced that it is complete, I will send it to the judge so that he can evaluate it and he can ask the proper court to give the decision. [end recording]

## COSTA RICA

### OIJ ON POSSIBILITY OF ANOTHER TERRORIST GROUP

PA122316 San Jose Radio Reloj in Spanish 1200 GMT 12 Aug 81

[Text] Eduardo Aguilar Bloise, director of the Judicial Investigation Organization [OIJ], yesterday said that the OIJ is investigating the possible existence of another terrorist group. The investigation is based on certain evidence and documents. He noted that a naturalized Costa Rican was recently detained and that he had a document in which certain measures to be taken in dealing with the authorities were mentioned. An investigation has shown that this person had no connection with a recently discovered terrorist band. That group is considered about 80-percent dismantled. This leads the OIJ to believe that there is another extremist group in the country.

The OIJ agents confirmed that two peasants traveled to Cuba on an undisclosed mission paid for with funds of the terrorist organization. These two reportedly went to Cuba to receive ideological and military training but this has not been confirmed, Aguilar Bloise said. The names of these two peasants were mentioned in the documents found in Mototal. OIJ agents are looking for them in order to find out about their role in the terrorist organization, Aguilar added.

Terrorism is still latent, the OIJ director said. Although we are sure that 80 percent of the terrorist organization was dismantled, we cannot be too confident, he said. The problem did not end with the arrest of the top leaders of the terrorist group and the capture of the main members, Aguilar Bloise noted. On the contrary, it is logical that other groups will emerge in an effort to continue what was started by the organization that was dismantled. Therefore, we must remain vigilant, Aguilar Bloise stated.

Aguilar Bloise added: As far as I know terrorism is a phenomenon that affects most Western countries; Costa Rica is no exception. We tend to copy bad things in our country and this is the reason why terrorism reached Costa Rica. In addition, terrorists have international ties. There are countries which finance these groups; we know who they are.

According to Aguilar Bloise, the OIJ can prove that the local terrorist organization had ties with similar groups. He said that ties with a similar Salvadoran group were confirmed, especially with regard to funds. Many of those arrested had traveled through Central America several times. Some had been to Cuba but this is not enough reason to arrest anybody, he said.

The terrorists frequently moved arms and explosives through the city during the day, the OIJ director said. They used thick books that had been hollowed out so that they could carry whatever they wanted.

It was also discovered that one of the arrestees drew a map while he was in the Cartago jail. He omitted no detail from this map and he sent the map to the leaders of the terrorist group, the OIJ director noted.

## EL SALVADOR

### REPORTAGE ON ARMY, GUERRILLA MOVEMENTS, CLASHES

#### Eastern Front: 5 Aug Actions

PA121355 (Clandestine) Radio Venceremos to El Salvador in Spanish 0000 GMT 11 Aug 81

[Text] We are making contact now with the companeros at the Francisco Sanchez Southeastern Front. Attention Southeastern Front, go ahead for Radio Venceremos.

[Begin relay] The Francisco Sanchez Southeastern Front reporting: On Wednesday, 5 August, at 0200, a Farabundo Marti National Liberation Front, FMLN, squad sabotaged a bridge in the Usulutan jurisdiction, [words indistinct].

Simultaneously, FMLN [words indistinct] harassed [words indistinct] an enemy post located on (La Constancia) Farm, 150 meters from the bridge. The harassment went on for 10 minutes. Our forces then left without any problems.

United to combat until the final victory. Revolution or death, we will win. Go ahead, Radio Venceremos. [end relay]

Correct, companeros from the Southeastern Front, we copied clearly the report on the new action of the FMLN in those places.

Attention, all four war fronts, as of now, Radio Venceremos will be awaiting the new war bulletins. In the meantime, we continue reporting, breaking the information barrier of fascism.

Eastern Front: 8-9 Aug

PA121330 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 11 Aug 81

[Text] We are now making contact with a unit in the Francisco Sanchez Eastern Front in order to receive a war bulletin. Go ahead companero:

[Begin relay] On 8 August 1981, squads of the Francisco Sanchez Eastern Front carried out harassment operations against the enemy in Guacamaya canton. Our forces came within 25 meters of the enemy and an armed clash occurred at 1020. It is estimated that the enemy sustained two casualties. That same day, the fighters of the Farabundo Marti National Liberation Front carried out another harassment operation against the same enemy positions at 1630. We could not confirm if there were any enemy casualties. Our forces withdrew in an orderly manner and without any problem.

On 9 August at 1100, we staged harassment operations on the enemy positions in Guacamaya canton. Our forces came within 20 meters of the enemy. The number of enemy casualties is unknown. Our forces withdrew in an orderly manner.

United to fight until final victory. Francisco Sanchez Eastern Front. If Vietnam won... [end relay]

[Announcer finishes sentence] El Salvador will win.

Eastern Front on Recent Action

PA121415 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 11 Aug 81

[Text] Attention, attention, pay attention. Radio Venceremos is receiving important reports on the advancement of our people on the Francisco Sanchez Eastern Front. During the past few hours, there have been important actions throughout the national territory by our people who are up in arms against 50 years of military dictatorship.

Radio Venceremos, official spokesman of the Farabundo Marti National Liberation Front [FMLN], contacts our commander Jorge Melendez, political-military leader of the Francisco Sanchez Northeastern Front, to report to our people and to the peoples of the world on important actions conducted today in the eastern front. Let's listen to the report of Commander Jorge Melendez (Jonas):

[Begin relay] [Words indistinct] six high power electric towers were destroyed next to the Pan-American Highway road. The destruction of three more towers has not been confirmed, thus leaving only six confirmed.

Two more high power towers were destroyed last night near the coastal highway and one high-power tower was destroyed yesterday on the powerline running from (Aguachapan). In the past few days, a total of nine towers have been destroyed. This is in addition to the other two towers destroyed previously in the city of San Miguel and in the rest of the country when the first outage occurred.

Two bridges have been destroyed. One is Santa Anita, (Trinidad), San Miguel Department, and another on km 87 on the coastal road, in addition to three bridges previously destroyed, which are: the one over (Rio Seco), the one at (El Delirio) and another main bridge in Chalatenango Department. We don't know the latter's name right now.

There have been three ambushes in these past few days: one on the coastal road, another on the Pan American Highway, and another one on the military road.

Two substations have been destroyed in the paracentral zone: the ones at Santo Domingo and at Verapaz. Two electricity substations have been damaged in San Salvador. One is located in the (Cucumacayan) Colony, on 25th Avenue south and another located in (Laico) Colony on 29th Street West and 5th Avenue North.

The following ambushes or military actions were accomplished (?on this date). The traffic is at a standstill. The enemy tried to open up the road with infantry and helicopters. Some clashes went on.

The enemy suffered five killed and we don't know how many were wounded. We had one wounded, nothing serious, and two killed.

There was another ambush at the military road. We have not yet received specific data on the results.

There was another ambush at the Sociedad detour. Also, there were clashes near the town [words indistinct] we presume on the military road. We know that on the Pan American Highway in the paracentral zone there have been many clashes but we don't know the exact data.

In Morazan, the town of Perquin was attacked. The town has been seized by the insurgents and the enemy has been reduced to practically two posts. It is expected that the arsenal will be captured in the next few hours and that some members of the national and civil guards will be taken prisoner.

There were also clashes on the Perquin-Zabanetas road with troops transported by helicopters of the enemy, which advanced to render support to the town of Perquin. Two helicopters and subsequently an additional one arrived in Perquin and they flew by twice firing their machineguns. Three bombers made two trips. During one of the trips they dropped six high power bombs and on both occasions they fired their machineguns. [end relay]

We just heard the report from Commander Jorge Melendez on the actions of our people up in arms in various parts of the country against 50 years of military dictatorship. Radio Venceremos will present in future transmissions a complete report on the actions of our people throughout the national territory.

Eastern Front on Perquin

PA121514 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 12 Aug 81

[Text] We will now contact our mobile unit in Perquin, a town which was seized yesterday by forces of the Farabundo Marti National Liberation Front's [FSLN] Francisco Sanchez Northeastern Front. Go ahead, companeros.

[Begin relay] This is Radio Venceremos' mobile unit, which is accompanying the FSLN forces that have seized the town of Perquin, in Morazan Department.

Fighting began at 0430, when our forces advanced on the city along various flanks and seized several enemy positions and trenches. The enemy withdrew to its headquarters in the general command and from 0430 on, our positions were heavily attacked yet we managed to repel them from the few trenches where they were located.

At about noon, four Fouga Magister planes flew over the area and strafed and bombed the area near Perquin. They did not inflict any casualties on our forces.

So far, we have seized the following from the enemy: 2 M-1 carbines, 1 Czechoslovak rifle, 700 .762 shots for G-3's, 1 sack, 3 G-3 chargers, 2 G-3 grenades and other implements. Our forces are now launching an attack on the enemy position. How are you reading me? Over.

[Announcer] Perfectly, companeros of our mobile unit in Perquin, which has been seized by forces of the Francisco Sanchez Northeastern front. Companeros, what can you tell us about the arrival of the reinforcements sent to Perquin by the dictatorship. Go ahead.

[Relay speaker] The reinforcements that the national guard tried to send in could not arrive because our forces controlled the helicopters that were trying to bring in the troops. Over.

[Announcer] Right. Companeros, in the past few hours, various war planes and helicopters have been crossing the skies of Morazan Department. We would like you to give us a report on the activities that the enemy air force is carrying out in Perquin. Over.

[Relay speaker] The helicopters and the Fouga Magister planes sent by Yankee imperialism dropped about 15 100-lb bombs and rockets against the town and nearby zones. They machinegunned us from (?two positions).

Perquin's civilian population has massively joined in the tasks that the FMLN forces have assigned to them. During the fight in Perquin, our forces have made constant appeals to the members of the national guard who are at their posts and to the patrolmen, urging them to change their attitude of defending their positions and resisting our attack. We will respect their lives and will treat them like human beings.

Our forces are now preparing and launching an attack on the enemy positions.

Also on two occasions today, once in the morning and again in the afternoon [words indistinct] by Fouga Magister planes and [word indistinct] helicopters sent by U.S. imperialism. These (?two) Fouga Magister planes dropped about 15 bombs and rockets near the town and on a number of empty houses. The helicopter strafed part of the town but at no time managed to injure any of our members of any elements of the civilian population. Three of our elements were very slightly injured during the fight. There have been no casualties among the population.

So far, we have seized from the enemy 2 M-1 carbines, 1 Czechoslovak rifle,(700 7.62) mm cartidges, 1 .38 cal-pistol, 1 sack, 3 G-3 chargers, 2 G-3 grenades and other war materiel.

Furthermore, heeding the FMLN appeal urging them to lay down their weapons and to surrender to the FMLN forces, three local patrolmen laid down their weapons and are currently receiving just treatment from the FMLN forces.

This station's mobile unit is covering all the incidents currently taking place in Perquin, which the FMLN forces have seized.

If [word indistinct] won, if Nicaragua triumphed...[end relay] [announcer completes phrase] El Salvador will win.

In this manner we have been in contact with our companeros who have been reporting directly from Perquin, which the FMLN has seized in Morazan Department. We have been hearing about our people's victorious actions in the dictatorship's military enclaves in Perquin.

## Military Highway Ambushes

PA130226 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 12 Aug 81

[Text] Two more ambushes were carried out along the military highway in the eastern zone of the country. The first occurred at 0746 at the Sociedad turnoff. The second was at 0805 at the Bolivar turnoff. The ambushes lasted about 15 minutes. The number of casualties is unknown. We suffered no casualties.

## Police Headquarters Attacked

PA130318 Paris AFP in Spanish 0303 GMT 13 Aug 81

[Text] San Salvador, 12 Aug (AFP)--Unidentified individuals tonight staged a harassment attack against the south wing of the National Police headquarters in downtown San Salvador.

Apparently, the attackers were riding in two vehicles from which they hurled two fire bombs at the building, according to the first unofficial reports. Two strong explosions were heard at 2015 in the police headquarters in downtown San Salvador, an area which is heavily guarded by the military and generally blocked by the authorities this time of the night.

An official report on the attack is expected. Two units of the fire department have been dispatched to police headquarters.

## COLUMNIST AMENDS COMMENT ON HINTON'S SPEECH

PA122354 San Salvador EL DIARIO DE HOY in Spanish 10 Aug 81 pp 13, 15

[Dr Rafael Hasbun article: "Some Variations on the Hinton Thesis"]

[Excerpt] In my column last Friday, I quoted a portion of a speech by the U.S. ambassador. EL DIARIO DE HOY had published this speech on the front page of its 1 August edition. In the portion I quoted from EL DIARIO DE HOY, the U.S. ambassador asks the private sector "to moderate its differences with the Christian Democrats, so that together they can put up a better front against the common enemy: Marxist-Leninist subversion."

In the meantime, I received from the international news agency USICA [as received] an official full text in Spanish to Ambassador Hinton's speech, which he delivered on 31 July, at a dinner given by the American Chamber of Commerce.

Nowhere in the 10-page speech did I find the portion which I quote from EL DIARIO DE HOY. Therefore, the old Italian adage: "translator, traitor," can be applied to the newsman or news agency which tried to summarize the ambassador's speech. Therefore, I say: "synthetizer, traitor." I feel it is my duty to quote the actual words of the ambassador, who said, "While facing a foreign enemy, who is armed, the extreme left, the rest of the Salvadorans could well restrain their differences. An open and at times violent exchange of views among democratic factions during an electoral campaign is one thing. The confusion that exists in deciding who is the real enemy is another. Neither the private sector nor the Christian Democrats will survive if the Marxist-Leninists should seize power."

One can assume, if one wishes, that what the U.S. ambassador meant was that private sector should restrain its criticism of the Christian Democrats and that the Christian Democratic Party should stop attacking the private sector, making it look as if the private sector is the cause of all the evils affecting the country.

In the meantime, the private sector has responded to the attacks in the only way it knows: work. The government's political sectors have reacted in a crazy way. Their reaction has been termed the banner-grabbing policy.

## RIVERA Y DAMAS ISSUES CALL TO ALL SECTORS

PA080158 San Salvador LA PRENSA GRAFICA in Spanish 7 Aug 81 pp 3, 15, 27, 31

[Excerpts] Msgr Arturo Rivera y Damas, bishop of Santiago de Maria and apostolic administrator, has issued a call to all social, political, popular and government sectors of the country on the occasion of the August festivities.

He urged all Salvadorans to contribute according to their abilities so that our country can find peace again and resume its pace of progress in all its spheres.

Principles of Peace or Pacification

Inspired by the great letter of Pope John XXIII "Peace on Earth," we want to clearly state the basic principles for peace.

1. Every human being is a person and must be treated as such. All rights and duties of human beings merit serious reflection, but above them is the right to life and a dignified standard of living. All Salvadorans, without any distinction, are entitled to "our life, physical integrity and the indispensable means for a decent standard of living, especially food, clothing, housing, rest, medical care and the necessary social services."

We do not have to go into detail to describe how our principles clash with reality, and we demand an immediate stop to this fratricidal destruction we have ended up in.

2. A real sense of authority. With due respect, we also derive from the pope's letter the following views about the true sense and reason for authority. A review of this is necessary for a true pacification.

"Authority in itself is not an uncontrollable force; rather, it is a power to give reasonable orders. Obligatory force stems from moral order.

3. Truth, justice, liberty and love must be the foundation of a true peace for the people.

A. Man's own nature demands a search for truth, the absolute truth which is God himself, and the relative truth which is the participation of all human beings. Nobody must believe himself to be the absolute owner of truth or prevent the search for truth. A coexistence based on falsehood and deceit would be painful and fragile. Therefore, freedom of speech is necessary. The manipulation of news according to special interests must be avoided. "Those methods of information that unjustly slander a person, institution or nation must also be corrected."

B. One cannot speak of pacification without speaking of justice, which implies the mutual recognition of rights and duties for the individuals as well as for nations, Pope John XXIII used to say.

"As in private relations among human beings, nobody can pursue his interests while unjustly damaging others. The same goes for political communities. Nobody can develop oppression and abuse others.

C. It must be added that these mutual relations must be adjusted to the rules of freedom. Nobody has the right to unjustly oppress others and unduly interfere in their interests.

Pastoral Recommendations:

1. To our present rulers:

I want to ask them to make an evaluation of their administration before God, thinking about the causes of and the culpability that they may have in the country's present situation.

This is where, in joining the uncertainty and suffering of our people, I ask you to put an end to so much "terrorism" not only from the left but from the right. The attacks by guerrillas are not the only crimes. The repressive actions carried out by the "death squad" and the like are also crimes.

The causes that led to decreeing a state of emergency, a state of siege and the martial law must be evaluated. These decrees have served as a cover for many crimes. If the causes for these decrees have been overcome, then they must be abolished so that the country can enjoy the legitimate guarantees that the constitution gives to all the citizens. This would in turn help to create a favorable environment to hold possible elections.

2. To the private sector and those who hold the economic power: I am aware of the economic chaos which our country is experiencing because of various reasons. The poor always get the worst deal in these situations.

I also ask you to admit that the Salvadoran people have been enduring for many years an infrastructure of underdevelopment which must be overcome. Therefore, we believe that there are changes that must be accepted and supported, and never opposed for selfish reasons.

3. To the groups that seek solutions through arms:

I reiterate that they must seek a political solution to the conflict. In recalling Pope Pius XII, John XXIII used to say, "Salvation and justice is not found in revolution but in a well-planned evolution."

We know that this conflict is deeply rooted in a history of oppression and repression and to this, ideologies and foreign meddling must be added. Nevertheless, we think that there is still time to find a solution based on reason and justice.

May God open our hearts and minds to listen to Christ's words in his message of liberating love. Let everybody feel the need for a personal and social change. Let this be the message that stems from the mystery of the transfiguration which we are celebrating today.

[Signed] Arturo Rivera y Damas, bishop of Santiago de Maria and administrator of the archdiocese of San Salvador.

### Archbishop Accuses Junta

PA092053 (Clandestine) Radio Venceremos in Spanish to El Salvador 1400 GMT 9 Aug 81

[Text] During the last week of July, more than 170 civilians were assassinated by the Christian Democratic junta, the legal aid office has charged. During the week of 25-31 July, more than 170 persons were assassinated, according to reports from the Salvadoran archbishopric. Among the victims are 10 members of the Salvadoran Artists Union who were assassinated by the Death Squad.

The report says that this does not include the 20-30 bodies found daily at (El Playon de Jabali), Quezaltepeque jurisdiction, 30 km north of the capital.

According to this source, the national guard is responsible for 52 murders a week; the combined forces of the army and national and Treasury Police for 35 murders; and unidentified paramilitary forces for 63 murders; the Death Squad, 10 murders; and the Maximiliano Hernandez Martinez Brigade, 10 murders.

## GUATEMALA

### FOREIGN MINISTER REITERATES RIGHTS OVER BELIZE

PA122222 Guatemala City Domestic Service in Spanish 1500 GMT 12 Aug 81

[Text] During an interview which the Guatemalan foreign minister granted to local newsmen, it was roundly confirmed that Guatemala will not agree to the independence of our territory of Belize. Belize's independence was apparently organized and granted unilaterally. The Guatemalan foreign minister reasserted Guatemala's legal and historical rights over Belize, noting that we Guatemalans reserve these rights.

Our country's foreign minister knows nothing about invitations to Belizean independence events which the Belizean prime minister has allegedly extended to Latin American officials.

PRESIDENT TO GO TO HONDURAS TO SOLVE TRADE DISPUTE

PA121837 Panama City ACAN in Spanish 1757 GMT 12 Aug 18

[Text] Guatemala City, 12 Aug (ACAN-EFE)--Guatemalan President Romeo Lucas Garcia has decided to travel to Honduras to personally resolve with Gen Policarpo Paz Garcia, president of Honduras, the current trade disagreement between the two countries. The Guatemalan Economy Ministry announced this today and added that Economy Minister Valentin Solorzano will accompany the president on his visit to Tegucigalpa.

MILITARY, POLICE PROTECTING MAIN TOURIST CENTERS

PA121632 Panama City ACAN in Spanish 2122 GMT 10 Aug 81

[Excerpt] Guatemala City, 10 Aug (ACAN-EFE)--Guatemala's tourist areas were placed under military protection today by the government to prevent sabotage and terrorism by leftist guerrillas. Combined army and police forces are constantly patrolling highways and towns of the western provinces of Sacatepequez, Chimaltenango, Solola and El Quiche, which are the country's most important tourist areas. The 400-year-old city of Antigua Guatemala is located in Sacatepequez. Atitlan Lake is in Solola and Chichicastenango is in El Quiche, all traditional tourist areas where leftist guerrillas have been active.

## HONDURAS

ARMED FORCES DENOUNCE ATTACK BY SANDINIST NAVY

PA130323 Paris AFP in Spanish 0135 GMT 13 Aug 81

[Text] Tegucigalpa, 12 Aug (AFP)--Tonight the armed forces denounced here a new armed incident which occurred in Honduran territorial waters in the Gulf of Fonseca, which is shared with El Salvador and Nicaragua. The armed forces said that "a Honduran Navy patrol boat was attacked by two boats belonging to the Sandinist People's Army."

"On Wednesday, 12 August," the communique says, "at approximately 1030, two Sandinist navy patrol units entered Honduran territorial waters without any justification and immediately opened fire on a Honduran patrol launch which was forced to react to the aggression. When it was attacked, the Honduran vessel received the support of other Honduran launches in the area," the official version noted.

The communique indicated that the shooting lasted for 45 minutes "after which the Nicaraguan patrol units withdrew to their waters where they still remained at the moment this communique was issued."

"The Honduran patrol boats," the communique continued, "are being kept in the area in a vigilant and defensive attitude. Their commanders reported that there were no injuries."

"The Public Relations Office of the Honduran Armed Forces complies with its duty to inform the people about this new act of unjustified aggression and provocation which does not favor the normal and peaceful relations that should prevail between Two Central American nations," the document concluded.

Reported Weekend Clash

PA122134 Tegucigalpa Radio America in Spanish 1410 GMT 11 Aug 81

[Distributed by Inter-Central American Radio Organization]

[Text] Col Mario Flores Theresin, defense and public security secretary, said yesterday he is not officially aware that members of the Honduran Army clashed with members of the Sandinist People's Army over the weekend as has been reported.

According to reports, there was an armed clash on Friday between Honduran and Nicaraguan military forces in Palo Verde, San Benito jurisdiction, in the municipality of El Triunfo, Choluteca Department. Residents of the border area reported that the Sandinist soldiers sustained casualties and that the exchange of machinegun fire was so intense that it frightened the residents of Palo Verde.

Flores Theresin said that this type of incident along the Honduran border does not fall under the purview of his secretariat but of the armed forces. He added that all information regarding this matter has to be issued by the Public Relations Office of the Armed Forces.

VISITING CHILEAN OFFICIAL ON AID TO REGION

PA130033 Tegucigalpa Radio America in Spanish 2020 GMT 10 Aug 81

[Distributed by Inter-Central American Radio Organization]

[Text] Col Fernando Arancibia Reyes, Chilean deputy foreign minister, left this capital over the weekend following a 3-day official visit. During a news conference held on Friday in Tegucigalpa he said that Central American needs more weapons to fight subversion. Arancibia added that the region also needs policies to help eliminate the sources of tension which give rise to subversion. He cited the problems caused by the lack of social justice.

He said his visit to Honduras was a result of his government's interest in strengthening the bonds of friendship between the two countries. He said that his government is also interested in consultations with an eye toward understanding the situation in Honduras and determining the areas in which his country can provide assistance.

Our authorities asked for assistance programs in the fields of education, professional training and employment planning, as well as scholarships for postgraduate studies and technical assistance for the Honduran Telecommunications Enterprise and so forth.

According to Arancibia, Chile is in a position to contribute to our country's development. He will also visit Guatemala, Costa Rica, El Salvador and Panama in response to invitations from the governments of those countries.

The deputy foreign minister added that he is worried about the situation in Nicaragua, Guatemala and El Salvador. He feels that a country must make the necessary changes to improve its people's lot but disagrees with carrying them out through subversion. He also said that he agrees that a country should give advice and assistance to other nations but that this should be done in response to requests from the governments and not forcibly as Cuba is doing by helping the guerrilla groups in Guatemala and El Salvador.

MEETING TO PREPARE FOR MINISTERIAL SUMMIT OPENS

PA121953 San Jose Radio Reloj in Spanish 1730 GMT 12 Aug 81

[Text] Tegucigalpa--The second technical meeting to prepare a summit meeting of foreign ministers of Central America and Panama got underway here today. The date for the foreign ministers meeting has not yet been set.

The first preparatory meeting was held 1 month ago with the participation of the deputy foreign and economy ministers of the area. A draft agenda prepared at the first meeting will now be firmed up and expanded by (?ad hoc) groups.

Honduras is represented at the current meeting by the same officials who participated in the first meeting, which was moderated by Deputy Foreign Minister Angel Fortin (Midence).

## NICARAGUA

### THOMAS ENDERS MEETS WITH REVOLUTIONARY JUNTA

PA120450 Managua Radio Sandino in Spanish 0300 GMT 12 Aug 81

[Text] Thomas Enders, assistant secretary of state for inter-American affairs, will be in Nicaragua for only 24 hours. He was received today at the Augusto Cesar Sandino Airport by Deputy Foreign Minister Victor Hugo Tinoco and Nicaraguan Ambassador to Washington Arturo Cruz.

Today Thomas Enders met with the government junta and with Commander of the Revolution Bayardo Arce Castano, coordinator of the Sandinist front Political Commission. He also met with Foreign Minister Miguel d'Escoto, and held a work session with the financial cabinet. It was said that they will issue a joint communique tomorrow.

In a brief interview, Alfredo Cesar Aguirre said that Thomas Enders just listened during the talks on economic affairs. Apparently, Cesar said, on economic matters Enders only came to listen. He said that Enders' visit is a positive opportunity for Nicaragua. It is important, he emphasized, because for the first time we have the opportunity to speak with a high-ranking official of the Reagan administration, especially on economic matters, he said.

Cesar recalled that when the Reagan administration suspended the loans, it acted unilaterally. With Thomas Enders' visit, we open a channel of communications to discuss problems more closely, Alfredo Cesar said.

### Central Bank Official on Talks

PA121436 Managua Radio Sandino in Spanish 1200 GMT 12 Aug 81

[Text] Thomas Enders, U.S. assistant secretary of state for Latin American affairs, yesterday asked government officials to spare him from meetings with newsmen. This was stated by Arturo Cruz, Nicaraguan ambassador to the United States, at the end of a meeting that the financial officials in the cabinet had with the high-ranking U.S. official.

Mr Enders was accompanied by Ambassador Pezzullo at all meetings since early in the morning. He met first with Foreign Minister d'Escoto, then with members of the junta of the Government of National Reconstruction and afterwards with the financial ministers of the cabinet. He met in the afternoon with Commander of the Revolution Bayardo Arce Castano.

By 1630, there was a general opinion that the slender U.S. official did not understand and did not speak Spanish with newsmen.

Following the meeting with the financial officials, Alfredo Cesar, minister president of the Central Bank, briefed Radio Sandino on the results of the meeting.

[Begin recording] [Cesar] This is the first opportunity we have had to talk with a high-ranking official of the new U.S. administration with regard to these economic problems because all the steps they have taken have been taken unilaterally, by their own decision, in Washington, without even having discussed or talked with us about the economic problems.

Therefore, it is important to keep communication channels open in order to discuss at a closer range the problems as they arise (?and) the measures his government is adopting.

[Question] Was any discussion held with the U.S. official about the foreign debt?

[Answer] No. There is really nothing to discuss about that as an official topic between the two governments. Rather, as matter of information, we outlined to him our achievements with regard to the entire issue of renegotiating the foreign debt throughout 1980 and this year. However, no discussion was held in that regard.

[Question] And how did Mr Enders present himself during the meeting with you? Was he receptive?

[Answer] Well, let us say he maintains a very cordial stance, a certain openness with regard to what is being outlined to him and does not make many comments, so it would appear that he has come to listen, more than anything.

[Question] Is this an indication of a reactivation, let us say, of economic relations with the United States? That is to say, [words indistinct] (?something about) reactivation.

[Answer] Well, he disclosed absolutely nothing about it. Rather, I imagine that all the talks, including those at a political level, that have been held, as well as this talk of an economic type, will be evaluated by Washington in the future in order to adopt a decision about whether to resume the aid. There was no indication about this today. [end recording]

## Ambassador Cruz on Visit

PA121933 Managua Radio Sandino in Spanish 1800 GMT 12 Aug 81

[Text] Ambassador Arturo Cruz, who has been in Managua for several days, said today that the visit by Thomas Enders, U.S. assistant secretary of state for inter-American affairs, will be a good opportunity to seek detente between the United States and Nicaragua.

Enders arrived yesterday morning in Managua and was able, during an 18-hour span, to meet with Foreign Minister Miguel d'Escoto, member of the junta of the Government of National Reconstruction and members of the National Directorate of the Sandinist National Liberation Front, [FSLN]. This happened from 1730 to approximately 2000 [as heard]. He also met with representatives of the rightist parties, private businessmen from the Higher Council of Private Enterprise and Managua Archbishop Miguel Obando y Bravo.

Cruz, who is Nicaraguan ambassador to Washington, said that some points concerning the ratification of the Saccio-Vasquez Carrizosa Treaty by the U.S. Senate were discussed with Enders. U.S. Ambassador Lawrence Pezzullo said that Enders' visit is an opportunity for both sides, adding that I hope the visit will succeed in finding areas of mutual interest.

Commander Bayardo Arce Castano, coordinator of the Political Commission of the FSLN directorate, said before meeting with Enders that Enders' visit will set the groundwork for a top-level meeting. We expect them to give us explanations about the ratification of the treaty with Colombia and other matters.

## Junta, FSLN To Issue Statement

PA122115 Madrid EFE in Spanish 1710 GMT 12 Aug 81

[Text] Managua, 12 Aug (EFE)--Only a few hours before the end of his visit to Nicaragua, Thomas Enders, U.S. assistant secretary of state for inter-American affairs, continues to abstain from commenting on the results of his mission.

Enders met with two members of the Nicaraguan Government junta and some commanders of the National Directorate of the Sandinist front. Commander Daniel Ortega Saavedra, coordinator of the government junta, did not participate in these meetings.

It was announced that on Tuesday Enders met with leaders of the opposition in this Central American country. Today Enders will meet with the archbishop of Managua, Msgr Miguel Obando y Bravo.

The Managua newspapers said today that when Enders and U.S. Ambassador Lawrence Pezzullo entered yesterday's meeting with the Sandinist commanders they were smiling. However, the newspapers stressed that when they left the meeting the faces of the U.S. officials were serious and that they expressed displeasure when the newsmen insisted that Enders comment.

Nevertheless, Enders' visit has raised expectations about the future of the relations between Washington and Managua which are currently undergoing a period of tension and difficulties. Arturo Cruz, Nicaraguan ambassador to the United States, said that Enders' visit could well be the beginning of detente between the Reagan administration and the Sandinists.

In the next few hours the government junta and the National Directorate of the Sandinist front will issue a joint official statement on Enders' visit.

Demonstrators Were Unaware

PA120445 Managua Radio Sandino in Spanish 1800 GMT 11 Aug 81

[Text] Hundreds of workers met today at the Jose Benito Escobar House to organize a march through the streets of Managua. They wanted to express their solidarity with striking U.S. air traffic controllers and also to protest President Reagan's decision to immediately manufacture the neutron bomb. As the march advanced along the south road, the demonstrators were informed that the main leaders of the revolution were at that same moment meeting at the Government House with Thomas Enders, President Reagan's special envoy. The demonstrators immediately stopped shouting the internationalist slogans and after a brief discussion they broke up the march lest the reactionary news media misinterpret their real intention and make it appear as if they were deliberately boycotting the revolutionary government's efforts to improve its relations with the United States.

Some companeros who were participating in the march said they were going to ask the leaders of th. Nicaraguan Workers Federation if they knew of the visit of the U.S. diplomat and if they had given any thought to the repercussions of assuming internationalist positions at this moment.

ANN Scores Reagan's Policy

PA121346 Managua Radio Sandino in Spanish 1800 GMT 11 Aug 81

[Text] The New Nicaragua News Agency, ANN, has published a commentary on the relations between Nicaragua and the United States, a communique which was released on the occasion of the visit of Thomas Enders, U.S. assistant secretary of state for inter-American affairs, to our country. ANN says that relations between Nicaragua and the United States can only be based on mutual respect and that the United States must recognize the Nicaraguan people's right to self-determination and to their sovereignty.

ANN says that once the Reagan administration came into office it unleashed a hostile and pressure-filled campaign against Nicaragua to try to destroy the Sandinist revolution, so that it can reinstate in power the sectors that have servilely submitted to the United States. Nicaragua has been the target of a destabilization campaign promoted by the most reactionary circles in Washington since the Reagan administration assumed power, ANN indicated.

It also accuses the Reagan administration of trying to bring the Nicaraguan revolution to its knees through hunger, when it suspended the loans, credits and grain supply to Nicaragua. ANN says that the Reagan administratin has threatened to take more measures against Nicaragua if it does not change its negative attitude.

ANN says that Nicaragua has been accused of everything, of altering the order in Central America, of becoming a beachhead for the smuggling of arms from the USSR and Cuba for the Salvadoran rebels and of being a communist colony. So far, the United States has not been able to sustain any of its charges against our country. Moreover, U.S. authorities cannot deny that former Somozist guardsmen are receiving special training from U.S. military instructors in the United States with the consent of U.S. authorities. These former Somozist guardsmen are being trained to carry out terrorist activities and to invade Nicaragua, ANN indicated.

ANN accused high-ranking U.S. State Department officials, among them Secretary of State Alexander Haig, of scaring the people of neighboring countries with the spectre of the Nicaraguan revolution, which they say it is a serious threat to the stability of the Western Hemisphere. The Reagan administration has tried to align the Western European countries which are cooperating with the Sandinist government with its policy. Finally, ANN says that what the United States wants is to see Nicaragua as it was during the past 50 years, a possession of U.S. monopolies, but that is an impossible wish.

ARMY DENIES AGGRESSION IN FONSECA GULF INCIDENT

PA130424 Managua Radio Sandino in Spanish 0300 GMT 13 Aug 81

[Text] A serious incident among two Honduran and Salvadoran vessels and two Nicaraguan Coast Guard vessels occurred as they were navigating our territorial waters.

Capt Roberto Sanchez, spokesman for the Defense Ministry and for the Sandinist People's Army, has just explained the report that was disseminated this afternoon in international dispatches.

This incident will be denounced through diplomatic channels because of the serious problems occurring in the Gulf of Fonseca. A few minutes ago we contacted Captain Sanchez, who explained the incident that occurred at noon today when apparently the coast guards exchanged fire for 30 minutes. There were no injuries to the Nicaraguan Coast Guard troops and this also seems to be true for the other side. We will immediately present an interview with Captain Sanchez.

[Begin recording] [Sanchez] This is exactly what happened at 1115 this morning: Two Sandinist coast guard vessels were in our territorial waters in the Gulf of Fonseca in front of the [ ame indistinct] when they were seen by two Honduran and one Salvadoran coast guard ships.

We could not tell exactly who fired f[illegible]t. We don't know if it was the Hondurans or the Salvadorans. The truth is that our coast guard had to repel the attack and fire was exchanged for 30 minutes. Then the Honduran, Salvadoran and Nicaraguan vessels withdrew from the area. One of our vessels was slightly damaged.

The Defense Ministry will pass this information on to the Foreign Ministry so that it may make the pertinent claim because our coast guard vessels were in our territorial waters; therefore, this was an aggression.

This is the second time that this has happened. In a previous incident, our coast guard vessels were also attacked by the Honduran and Salvadoran Coast Guards. Therefore, this report will be officially sent to the Foreign Ministry.

[Question] What other damages can you report regarding the enemy coast guard vessels?

[Answer] We learned from a dispatch datelined Honduras that they are charging that we were the aggressors. This has been done previously but we can prove that our coast guard vessels were in Nicaraguan territorial waters. They have not reported any casualties or damages. However, we will lodge a serious protest because we feel that since our coast guard vessels were in our territorial waters, this was an aggression. Unfortunately, the dispatch says that we were the aggressors, but this isn't true and we can prove this.

[Question] The attacks in that area are continuous. What measures will the Defense Ministry take?

[Answer] We should not say that they are continuous. The problem is that the Gulf of Fonseca belongs to Honduras, El Salvador and Nicaragua. Sometimes it is difficult to tell where each country's boundary is. Nevertheless, we believe that in this case the *matter is very clear because the two Nicaraguan vessels were in front of the [name* indistinct]. It seems to use that it shouldn't be the case that each time the coast guards of the various countries meet, they start firing just like that, especially when the Honduran and the Salvadoran Coast Guard vessels recently joined together in firing at out ships.

[Question] We were saying this because we have had many problems with our companero fishermen in the Fonseca Gulf and apparently the Salvadoran or the Honduran Coast Guards have intervened there. Will this be taken to the Foreign Ministry?

[Answer] Yes indeed. We have already gathered the information and we will turn it over to the Foreign Ministry which is the ministry to handle these claims, to try to stabilize a situation that will permit us to live in peace because our fishermen are sometimes very nervous that one of these coast guard ships will kill somebody. This fear is completely normal and we must protect the security of all Nicaraguans. Therefore, we hope that the Foreign Ministry will seek an agreement so that these incidents will not happen again because we are doing everything possible to avoid them. In fact, whenever we have been truly attacked we have ordered the troops to take a cautious approach. The attitude of our companeros is primarily defensive.

## 83 STUDENTS FLY TO USSR TO CONTINUE STUDIES

PA121449 Managua Radio Sandino in Spanish 1200 GMT 11 Aug 81

[Text] Managua--Eighty-three youths who have chosen professional careers to better serve a new and free Nicaragua have left for the USSR. At 1215 yesterday, 83 selected students boarded Aeroflot flight 8645-6 enroute to Moscow, conscientiously ready to pursue professional careers that will be useful to the new Nicaraguan society. Of the 83 students, 71 are qualified to continue their studies at the college level, and the remaining 12 will continue postgraduate studies at the Patrice Lumumba University in Moscow, according to information offered by Companero Ronald Tenorio, director of information of the National Council for Higher Education.

Among the enthusiastic students are 20 women who will pursue different professional careers. Some of these careers are political economy, geometry, physics, biology, marine biology, entomology, taxonomy, plant ecophysiology, medicine, agricultural engineering, agronomy, telecommunications engineering, industrial electrical engineering and international journalism.

The study period for those at the college level will be 6 years, and for those at the postgraduate level will be 4 years.

The airplane that left Managua yesterday made a stopover in Havana and continued to Northern Ireland. Today the flight continued to its destination, the Soviet Union, where it should land at 1600 Moscow time, 0700 Managua time.

Indescribable was the happiness that could be seen among the relatives and friends of the students who have left in search of horizons that were not possible to reach not too long ago but which today are a sure sign of the success that the Sandinist popular revolution offers today.

OFFICIAL COMMUNIQUE ON ASSAULT INVOLVING HONDURAN

PA121854 Managua Radio Sandino in Spanish 1200 GMT 12 Aug 81

[Communique issued by the Interior Ministry on 11 August 1981 with regard "to the assault in which five policemen and a Honduran participated"]

[Text] The Interior Ministry informs the Nicaraguan people that it has been able to completely solve the case in which Camilo Barberena (Dechong) unfortunately lost his life.

1. At 2030 on Saturday, 4 August, three persons carrying weapons appeared at the house of Camilo Barberena (Dechong), pointing a gun at Camilo Barberena Castillo in an attempt to rob his father's house.

2. Barberena Castillo offered resistance and asked for help from his father, who rushed to his aid, firing a .38-caliber revolver and wounding one of the attackers. The attackers answered the fire, killing Barberena (Dechong).

3. The Sandinist police immediately launched a large-scale operation and found the vehicle and two of the weapons used by the attackers. In addition, the criminals were identified as follows: Victor Manuel Castro Enamorado, a Honduran who says he belongs to a Honduran political organization; Milton Sandoval Fonseca, Mauricio Bravo Flores, Walter Antonio Lopez Picado, Jose Estrada Fonseca, and Ricardo Espinoza Bejarano, members of the Sandinist police.

4. As a result of the investigation, it was determined that the attack was politically motivated because the money was to be used by an alleged Honduran political organization to which Victor Manuel Castro, the mastermind and actual perpetrator of these events, claims to belong.

5. All of the participants are being held at the orders of the judge advocate's office for trial under the military laws in effect.

6. The interior minister emphatically reiterates that under no circumstances will he allow Nicaragua's territory to be used for activities compromising the revolutionary government's foreign policy or the guidelines established by the National Directorate of the Sandinist National Liberation Front and actions that may disrupt public order.

Issued in Managua on 11 August 1981, year of defense and production.

Borge Blames Honduran

PA130153 Managua Radio Sandino in Spanish 1200 GMT 12 Aug 81

[Text] The law will be applied just as strictly to those involved in the death of stockbroker Camilo Barberena (Dechong) as they would any place else, Interior Minister Tomas Borge told newsmen yesterday while describing how four young members of the police came to be involved in the foiled attack on Barberena's home.

In addition to commenting on the political ramifications of the case--since the attack was planned by the Honduran who was abetted by the young policemen--the interior minister referred to those who take advantage of Nicaragua's hospitality and to those who, abusing this hospitality, become involved, or have become involved, in criminal activities. We have even discovered some arms trafficking in the country and we will not allow the territory of our Nicaragua to be used for this type of activity. In his comments on the matter, Borge recognized that the young fighters were decived by Honduran Castro Enamorado:

[Begin recording] These comaneros will be sent to the appropriate court for appropriate punshment. [Passage indistinct].

We want to make a serious appeal to all those who feel that our soil is a place to carry out activities that compromise Nicaragua's neutrality and foreign relations on the one hand and, on the other hand, are disloyal to the Nicaraguan revolution. The revolution has expressed its solidarity with all struggling people. We are linked to all political and revolutionary organizations of Latin America and the world. We will not deny our solidarity to any struggling people. However, the type of solidarity is determined by the Sandinist National Liberation Front.

How can we justify anyone entering Nicaragua to carry out or promote attacks here? If these people want to engage in violence they can go to their own country. They should not do so in a country that is already liberated.

We will continue express our solidarity with the struggling peoples. Our solidarity is militant and we have repeatedly said that there can be no real revolution without revolutionary, international solidarity. However, clandestine expressions of solidarity carried out behind the revolution's back as well as attempts to recruit and manipulate the feelings of solidarity of our young fighters who also hope to fight for the liberation of other peoples will not be tolerated. We will not permit this and it best be known once and for all that they cannot play with the revolution in Nicaragua, no matter how just the cause they represent may be. [end recording]

ECONOMISTS BACK NICARAGUA, CRITICIZE U.S.

PA102330 Managua Radio Sandino in Spanish 1200 GMT 10 Aug 81

[Text] One resolution adopted at the Central American Economists Congress, which ended yesterday in the Honduran capital, Tegucigalpa, was to support the structural transformation measures adopted in Managua and to recognize as legitimate the Nicaraguan people's right to confiscate businesses that engage in capital depletion.

After analyzing the productive and economic structure of the region, the congress determined that the U.S. Government, to insure political control in the Central American area, unconditionally supports antipopular governments and boycotts, on all possible fronts, of the popular policy that is being implemented in Nicaragua.

Economist Rodolfo Sanchez (Arauz) of the Nicaraguan Economists Association [Asociacion de Profesionales de Economia de Nicaragua] described capital depletion in Nicaragua and denounced the reactionary sectors who are using this as a political weapon to weaken the position of the revolutionary government. The congress termed this maneuver a very negative action for the country, because it directly attacks the basic needs of the Nicaraguan people.

Those who participated in the congress said that Central America has become a volcano due to social injustices stemming from outmoded economic structures. They said that in El Salvador the people are bleeding to death in a fierce struggle to conquer their true destiny and that Guatemala has been engaged in a war between the people and the army for more than 20 years.

In the case of Nicaragua, they said Nicaraguans are building a new future in spite of the obstacles that are in their way, while in Honduras, international groups such as the transnational banana companies Castle and Cook and United Brands control the most dynamic sectors of industry and commerce, decapitalizing the economy through the permanent flow of resources toward power centers abroad, and permanently attacking national sovereignty.

The participants at the congress said that the social and economic integration of the region is a historical necessity, to be achieved through national efforts to obtain economic independence and the true welfare of our peoples. They also came out in favor of respect for the self-determination of peoples, nonintervention in domestic affairs and the right to struggle for peace, justice and the social welfare of the region, and agreed to hold the next Congress of Central American Economists in Nicaragua. The next congress will bear the name of Gen Omar Torrijos because he was a leader of the anti-imperialist struggle of the Latin American peoples.

CDS LEADER SPEAKS IN SWEDEN ON ECONOMIC PROBLEMS

PM120906 Stockholm DAGENS NYHETER in Swedish 7 Aug 81 p 6

[Lars Palmgren interview with Sandinist National Liberation Front leader Leticia Herrera: "We Are Being Blockaded"]

[Text] At the end of 1969 Leticia Herrera, then 19 years old, joined the Sandinist National Liberation Front [FSLN] in Nicaragua. Ten years later, on 19 July 1979, she marched from the north at the head of a column of guerrillas into the capital, Managua. Then the goal had been achieved. The revolution had conquered.

Today Leticia is one of the FSLN's foremost leaders. She carries the national responsibility for, among other things, the so-called Sandinist Defense Committees, the CDS, which have been built up neighborhood by neighborhood over the whole country. At present she is in Stockholm by invitation to take part in a seminar organized by the Social Democratic Women's Association.

"Let me tell you about the CDS," she began. "The CDS are the backbone of the defense of our revolution. The CDS partly form the nucleus in the organization of the people's militia, that is, the volunteer defense system which has been organized to repulse counterrevolutionary attacks. But the CDS are also 'the stomach's defenders.'"

[Question] The stomach's defenders?

"Yes, like this," she said and began to explain. "For a long time there was a shortage of rice and sugar in Nicaragua. Not because these commodities did not exist, but because there were those who had an interest in creating a shortage situation. By speculating they reckoned that they would simultaneously be able to create discontent among the people, sabotage the economy and themselves make profits from their speculation. But the CDS helped to put a stop to this. Via the CDS, checks on prices in the shops were organized and they also discovered hidden stores. In some areas the CDS spontaneously arranged a sort of provisional rationing system. First they investigated how much of a certain commodity was needed in a neighborhood and then they went directly to the state distribution company, Nicaraguan Basic Foods Enterprise (ENEBAS) and bought the exact quantity needed. In such a way the CDS guaranteed that everyone got what they needed at the same time as the prices were determined by the government."

Leticia explained that today it is the economy that is the revolution's most difficult problem. "In practice we are being subjected to an economic blockade. This is partly through the suspension of international loans, like the loans from the United States for the purchase of wheat. But this blockade is also reflected within Nicaragua, for instance, in the form of speculation."

Leticia told me about landowners who have not planted their land, factory owners who have not boutht spare parts and raw materials, other factory owners who have refused to exploit their machines' full production capacity and even people who have been given state loans and credits only to transfer them to their personal accounts in Miami or elsewhere.

"This economic sabotage is sabotage against the revolution," she stated. "We give private enterprise all possible guarantees," she went on. "The only thing we ask of them is that they work. When they do not do so we must defend ourselves. The new laws which we published on the second anniversary of the revolution, on 19 July, are such a defense."

Several new laws were announced on 19 July:

1) A land reform based on the land which has not been used effectively or has been lying fallow. The land will be distributed free both to individual small farmers and agricultural workers and to cooperatives and state enterprises.

2) Confiscation of companies which have been proved to have committed crimes connected with capital. In the first instance the law will affect 10 companies.

3) Nationalization of the country's sugar distribution.

4) Nationalization of the export of nontraditional goods. (The traditional agricultural products have already been nationalized.)

5) A law to come to grips with the remaining corruption among civil servants.

"It is the whole of this situation of economic sabotage which makes the military counter-revolutionary activities, principally in the north along the border with Honduras, so serious," Leticia explained. "It has meant that we consider the next 6 months a period which will need special watchfulness, a sort of state of moral emergency."

The problems in Nicaragua are great. There is no need to doubt that after a conversation with Leticia Herrera. Nevertheless she radiates all the calm, clarity and the confidence you expect from a revolutionary leader. She has no doubts that the revolution's successes will be secured.

"It is the people who have made our revolution," she smiled, "and when the people have the power they can never be conquered."

"See what we have already succeeded in doing," she went on. "Today people can read and write in Nicaragua. Just think. And today our people have become conscious of their historic role, a people who have organized themselves. Now they will never conquer us...."

CUS LABOR ADVISER ASKED TO LEAVE COUNTRY

PA122005 Managua Radio Sandino in Spanish 1200 GMT 11 Aug 81

[Excerpts] Managua--Tranquilino Zuniga, labor adviser for the Confederation for Trade Union Unity [CUS], has not been deported or expelled from the country. The immigration office has given Zuniga, a citizen of Costa Rica, 24 hours to leave the country due to his illegal status here.

Mario Mejia, immigration director, said the CUS labor adviser's case was presented to the Costa Rican authorities. On the subject, the Office of Immigration and Alien Registration issued the following statement:

The Office of Immigration and Alien Registration hereby reports the following on the case of Costa Rican citizen Jose Tranquilino Zuniga Oreamund:

1. On previous occasions he visited our country as a tourist.
2. During the last days of July this office noted his presence in the country without having entered through any legal border post as required by our laws.
3. This office verified that he was carrying out activities which are not permitted by persons whose status in Nicaragua is that of a tourist.

Given in the city of Managua, capital of the Republic of Nicaragua, on 10 August 1981, year of defense and production.

Signed: Mario Valle Davila, chief of Alien Registration and Naturalization Department

## CORRALES SAYS DELEGATIONS TO DECIDE ABOUT FORUM

PA130116 Managua Radio Sandino in Spanish 1800 GMT 12 Aug 81

[Text] Julian Corrales Munguia has used the term natural recess to describe the current status of the Forum for Discussion of National Problems. Corrales, who is coordinator of the Forum, said that the rules established by the participating political organizations provide for a recess. He said:

[Begin recording] At this juncture, as all citizens know, there is a natural recess. The reason is that the delegations participating in the Forum have been holding private meetings, which is also provided for in the rules. They are discussing various issues that have come up and are evaluating the progress of Forum thus far.

From now on, it naturally behooves both delegations to decide when the Forum will continue being held over the weekends. Naturally, the delegations must meet this weekend, but privately. Once they determine what is best, we will know if we will continue as before or if the recess will be extended, so that on Saturdays and Sundays the public may learn about the treatment given to each topic in accordance with the rules. [as heard] [end recording]

## U.S. FISHERY FIRM CANCELS NICARAGUAN FIRM'S DEBT

PA082015 Managua Radio Sandino in Spanish 0300 GMT 8 Aug 81

[Text] Fisheries Minister Carlos Coronel Kautz announced today that Atlanta Corporation, a U.S. fishery company based in New York, recently canceled a $6 million debt of Pescanica, a Nicaraguan fishery firm.

Negotiations for the canceling of the debt of the Nicaraguan firm based in Port Bluefields, 370 km east of Managua, began 1 year ago through Gregorio (Geller), a representative of the U.S. company.

Coronel Kautz, who yesterday returned from New York City, said that during his stay there, he was able to sign a new marketing contract between the U.S. company and Pescanica. The contract will be in effect for the next 12 years. The marketing will be done by the Nicaraguan Sea Products Enterprise.

This enterprise exports dried turtles, lobster, shrimp, fish, sharks, tortoise shells and other products, to the United States. So far this year, these exports amount to approximately 2.5 million pounds of products. This has produced $9.5 million.

## BRIEFS

BATTALION TO TRAINING--Chontales--Sandinist Peoples Militia's Reserve Battalion 90-14, from Rama, left for military training in the mountains on 1 August. The battalion will receive political and military training for 15 days and will later join Commander Ezequiel's brigade for 1 month to help wipe out counterrevolutionary bands in the mountains. [Managua Radio Sandino in Spanish 1200 GMT 3 Aug 81 PA]

NEW TELCOR DIRECTOR--Enrique Schmidt is the new general director of the Nicaraguan Telecommunications and Postal Directorate [TELCOR]. He was deputy chief of the general directorate of the Sandinist police and chief of the Managua police. Schmidt replaces Commander Jose Valdivia, whose reasons for leaving TELCOR are known by everyone. [Text] [Managua Sistema Sandinista Television Network in Spanish 0200 GMT 6 Aug 81 PA]

NEW IMMIGRATION OFFICIAL--The Interior Ministry press department has announced that (Dora Estela Medina de Gomez) has been appointed deputy director of the immigration and foreign department. Mrs (Gomez) replaces (Aura Lila Aguilar). [Managua Radio Sandino in Spanish 1800 GMT 8 Aug 81 PA]